DEMOGRAPHIC TRENDS IN SASKATCHEWAN

A STATISTICAL ANALYSIS OF POPULATION, MIGRATION, AND IMMIGRATION

A report for:

Saskatchewan Intergovernmental and Aboriginal Affairs

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EXECUTIVE SUMMARY

This report is part of a general review of international and inter-provincial immigration issues prepared for the Immigration Branch of Saskatchewan Department of Governmental Relations and Aboriginal Affairs. The research was conducted by Doug Elliott, the principal of *QED Information Systems Inc.* and the publisher of *Sask Trends Monitor.*

The research mandate included a statistical description of immigration and immigrants and a comprehensive analysis of inter-provincial migration and how it affects Saskatchewan. The research was also to a) deal with the issues of how the labour force and the population of Saskatchewan may be increased, b) examine Aboriginal employment issues and c) document out-migration and in-migration issues.

Section 2 deals with the basic demographic characteristics of the province's population and how it changes. The major findings in that section are highlighted below in point form. All of the data are from Statistics Canada.

- Saskatchewan's population has been effectively at or near one million people for the past twenty years. Except for Newfoundland, other provinces are growing more quickly.

- The "baby boom" generation is still the dominant feature of the province's age structure. Compared with other provinces, Saskatchewan has a high proportion of older seniors and a high proportion of children and youth.

- Although Saskatchewan's fertility rate is one of the highest in Canada, the number of births is declining. The number of deaths is increasing so the "natural" growth rate – births less deaths – is declining. Much of the population growth in Alberta is a result of the higher natural growth rate there.

- Inter-provincial migration has resulted in a net loss of population in 25 out of the last 31 years and is the basic reason why the province's population hasn't grown. The loss of population because of migration is also an issue in several other provinces including Newfoundland, Quebec, and more recently, B.C.

- In terms of their age structure, Saskatchewan's inter-provincial in-migrants and out-migrants are similar to those in other provinces – many are youth but overall trends in inter-provincial migration are mirrored in each of the age groups. Saskatchewan has one of the highest rates of youth out-migration in Canada.

- Alberta is the destination for an ever-increasing proportion of out-migrants from Saskatchewan, accounting for 60% in the most recent year. It is also the single largest source for in-migrants, accounting for 50% in the most recent year.

- In migrants from the Atlantic provinces and Alberta tend to be in their late twenties and early thirties. Out migrants to Alberta, B.C. and the North tend to be in their twenties.

- Saskatchewan attracts very few international migrants; those who come tend to be younger than the province's current residents.

A special tabulation from the 2001 Statistics Canada census was obtained for the research. The information in Section 3 describes persons who were born outside Canada and who were living in Saskatchewan at the time of the census, that is, in May 2001.

This is a different population than the those who immigrated to Saskatchewan because it includes those who moved here from other provinces and excludes those who have left. Refugees, family class immigrants, and skilled workers are included in this group.

The findings from this section are summarized below in point form.

- Nine out of ten recent immigrants originally destined for Saskatchewan come from three immigration groups with approximately the same frequency – skilled workers, family class, and refugees.

- On a net basis, Saskatchewan retains just over one half (57%) of immigrants who originally come to the province, one of the lowest rates in Canada.

- 18% of Canadian residents are immigrants compared with 5% of Saskatchewan residents.

The majority of the data in this section refer to the 2001 population of immigrants in Saskatchewan. "Recent immigrants" are defined as those who came to Canada since 1980.

- One in four immigrants living in Saskatchewan came to Canada after 1990; the majority (56%) came after 1970.

- Recent immigrants are more likely to come from Asian countries – 42% do so – than their earlier counterparts. Among Saskatchewan residents who immigrated to Canada before 1961, 87% came from Europe.

- More than one half of recent immigrants are members of a visible minority group.

- 71% of recent immigrants are in the 20 to 59 age group (compared with 52% of non-immigrants). 52% are women.

- Although 71% of recent immigrants report a language other than English as their mother tongue and 61% use a language other than English at home, 95% can speak English well enough to carry on a conversation.

- Recent immigrants are, compared with non-immigrants or those who came to Canada before 1981, more likely to report a non-Christian religious affiliation or no religious affiliation at all.

- Recent immigrants in the 15 to 24 age group are more likely to be going to school – 68% did so in the 2000-2001 academic year – than non-immigrants.

- Completed education levels among immigrants, particularly those who immigrated after 1961, are much higher than among non-immigrants. More than one quarter have a university degree.

- Recent immigrants with a post-secondary education tend to have degrees, diplomas, or certificates in the physical sciences including engineering. They are less likely than non-immigrants to have one in commerce, business administration, or in the trades.

- Recent immigrants, particularly men, are more likely to be employed than non-immigrants although the rate of employment is not as high as one would have expected given their high levels of education and relative youth. Those who migrated from 1961 to 1980 have a very high attachment to the labour force, however, with 60% working full-time throughout 2000.

- Employment income among recent immigrants tends to be low, partly because employment for women is concentrated in low paying industries. Nevertheless, a much lower proportion of their income (11% in 2000) comes from government transfers than for the non-immigrant population (14%). Many of these women will be refugees.

- Three quarters (74%) of recent immigrants live in Regina and Saskatoon. Larger centres tend to have a higher proportion of recent immigrants than smaller ones although Prince Albert and Yorkton have relatively few immigrants, given their size, and Swift Current has a relatively high proportion.

Section 4 describes, largely in qualitative terms, some of the implications of an aging population.

To deal with the possibility of a general labour shortage which could affect economic growth and well-being, the best strategy is a continuing focus on education and employment for Saskatchewan's young and growing Aboriginal population. Increasing employment levels among the Aboriginal population presents significant challenges so, to be prudent, other approaches should also be pursued.

The approaches discussed in this section that would have a measurable impact include increasing employment rates among disadvantaged groups such as the visible minority population, the immigrant population, the disabled, and those receiving social assistance. Potential employment increases from this approach are, however, limited. Higher employment rates among those at or past retirement age may not be realistic and, regardless, would only delay the impact of any general shortage of labour.

This section also describes the inter-connection between economic growth and population growth, pointing out that much of Alberta's strong economic performance has been the result of population increases.

If the province is to increase in size (both economically and in terms of population), a retention and an attraction strategy will be required. Unfortunately, the statistical evidence

suggests that out-migration of current residents is cyclical and largely beyond our control. It does not appear to be driven by controllable factors such as taxes but by perception and momentum.

The section concludes with the realization that a strategy to attract people from other provinces and countries would probably be more successful than a strategy to stop current residents from leaving.

1.0 Introduction and Background

Saskatchewan has been debating its relative lack of population growth for as long as I can remember and I've lived in the province for more than fifty years. The discussion is usually focussed on the number of young people who are leaving for Alberta but other aspects of our demographic makeup are usually part of the mix as well.

As part of a general review of international and inter-provincial immigration issues, the Immigration Branch of Saskatchewan Department of Governmental Relations and Aboriginal Affairs contracted with Doug Elliott, the principal of QED Information Systems Inc. and the publisher of *Sask Trends Monitor* to prepare background research on the province's population trends. The research was to include a basic statistical description of immigration and immigrants and a comprehensive analysis of inter-provincial migration and how it affects Saskatchewan. The research was also to deal with the ways in which the labour force and the population of Saskatchewan may be increased, consider increases in Aboriginal employment, and out-migration and in-migration issues. This report is a summary of that research.

Section 2 of the report describes general demographic trends in Saskatchewan – the total population and the elements contributing to population change. Immigrants in general and recent immigrants in particular are the special focus of this research and the available demographic and socioeconomic characteristics of this subgroup of Saskatchewan residents are described in Section 3. Section 4 looks at some of the implications of the findings in the previous two sections more from a qualitative than a quantitative standpoint.

A summary of key findings is included in an executive summary.

1.1 Definitions and Data Sources

A number of different data sources were used in this research. Those that are used extensively are described below; other sources are described and identified in the text as they arise.

Main Data Sources

Population and Migration	Almost all of the basic population counts and population flows for Saskatchewan are from Statistics Canada. The *Annual Demographic Statistics 91-213* is the basic document and the most recent issue is for 2002. The data in this report were obtained from an electronic version of that report and previous versions. Figures from 1996 to 2002 are preliminary (post censal estimates) and will be adjusted when the results from the 2001 census are compiled.
Socioeconomic characteristics	Characteristics other than the number and age of the province's residents are obtained from the 2001 and previous census publications and electronic files. In addition to publicly available reports, a special tabulation from the 2001 census describing socioeconomic characteristics of immigrants was obtained for this research.

In this report, all percentage changes are expressed in annual terms, compounded if necessary to cover several years. If, for example, the population increased from 1,000 in 1996 to 1,200 in 2001, then the overall increase of 20% would translate into an increase of 3.7% per year compounded.

The time frames for the statistics can easily lead to confusion for two reasons. One reason is that there are both "stocks" and "flows" in the statistics. The "stocks" are counts of the population at a particular point in time, July 2002 for example, whereas the "flows" are events which happen over the course of a year – births, deaths, migrations, etc. – from July 2001 to June 2002, for example. The second reason is that most of Statistics Canada's data are not published on a calendar year basis. Population is normally measured on July 1st of a given year and the "flows" are measured over a period from July 1 to June 30 of the following year. As an example, the number of inter-provincial out-migrants for the period 1998-99, is the number of people who left from July 1, 1998 to June 30, 1999.

The information in Section 3 comes from a special tabulation (a "target group profile") obtained for this research. Target group profiles from the cenusus describe the various characteristics of individuals according to a prescribed set of criteria. In this case, the target group was defined to be the population of immigrants living in Saskatchewan at the time of the census, that is, May

2001. Because the immigration question is contained on the "long form" of the census, the data in this section is effectively based on a sample of one in five Saskatchewan households.

The other characteristic about target group profiles is that they do not describe "household" or "family" characteristics because no attempt is made to allocate the characteristics of an individual across households. How would one, for example, define an "immigrant household"? Would it be one where all the residents are immigrants? Or would it be one where at least one (or the majority) of residents are immigrants? This means that some "collective" statistics aren't available in this section including household incomes, living arrangements, family size, dwelling characteristics, etc.

2.0 Basic Demographic Characteristics and Trends in Saskatchewan

In the study of demographic trends, each particular statistic is easy enough to understand but there are a lot of them and they interact in complex ways. This section looks, in relatively simple terms, at the size of the Saskatchewan population and the factors that influence the total number of residents. Less attention is paid to the complex interaction among the various demographic trends.

The absolute number of people currently resident in the province changes over time because of two factors – natural growth and net migration.

Natural growth is in turn, comprised of two components.

natural growth = births less deaths

Births and deaths arise as a consequence of both fertility and mortality rates and the number of persons in the relevant age groups.

Net migration is normally expressed as the number of persons moving into the province less the number who have left and further broken down into international migration and inter-provincial migration.

net inter-provincial migration = inter-provincial in-migration less inter-provincial out-migration
net international migration = immigration less emigration

A change in any one these six individual elements can lead to a change in the population of the province.

The only complication in this relatively simple picture is the presence of what Statistics Canada calls "non-permanent residents". These are persons and members of their immediate families living in the province who are in the province:

- claiming (and not received) refugee status;
- with student visas or student permits;
- with work permits; or
- with Minister's permits.

There are only a few such persons in Saskatchewan – 3,110 in 2001 according to the census – and the numbers do not change significantly from year. The statistics in this report do not include this relatively small group because they are generally not considered as "residents" and because there is virtually no statistical information about them.

This section looks at the total number of people living in the province in Section 2.1, examines the natural growth rate in Sections 2.2, and migration in Sections 2.3 and 2.4. The implications of these trends is reserved for Section 4.

David Foote in his book *Boom, Bust, and Echo* has famously remarked that "age is 80% of everything". While this may be an overstatement it is certainly true for demographic analysis. The analysis that follows concentrates on age as a critical element of both the provincial population and the elements of population change.

2.1 The Saskatchewan Population

There are three sources of population counts normally used in examining the provincial population and they all differ slightly because they measure slightly different populations at slightly different points in time. One of the effects of a stagnant provincial population is a constant debate about which of the sources is "correct". This is in spite of the fact that the differences among the sources are small and there is no single correct answer. The debate about the numbers often displaces the discussion that needs to take place about more important demographic issues.

Saskatchewan Health has, since 1968, been tracking the number of people who hold valid health cards – referred to as the "covered population". This is administrative data and differs from the actual population because of the nature of the program coverage.

Excluded from the covered population counts are members of the Armed Forces and the RCMP, inmates of federal prisons, and those who have not yet met the residency requirement. Saskatchewan residents moving elsewhere remain eligible for coverage for a period of time and some may not report their change of address on a timely basis.

Statistics Canada measures, via the census, the population every five years (every ten years prior to 1951). The census has a degree of "undercounting" in it and Statistics Canada estimates the population of the province after adjusting for this undercounting. The figures in the table contain preliminary estimates for the period from 1996 to 2002. These may be revised when the 2001 census figures are incorporated into the official population estimates.

In June 1996, for example, the census found 990,000 persons in the province. Statistics

Table 2.1 Saskatchewan Population (000)

	Statistics Canada as of July	Census Counts	Sask Health "Covered Population"
1921	758	758	...
1931	903	922	...
1941	896	896	...
1951	832	832	...
1956	881	881	...
1961	925	925	...
1966	955	955	...
1971	932	926	940
1976	932	921	949
1981	976	968	991
1986	1,029	1,010	1,041
1987	1,033		1,045
1988	1,028		1,044
1989	1,019		1,037
1990	1,007		1,029
1991	1,003	989	1,011
1992	1,004		1,017
1993	1,007		1,020
1994	1,010		1,014
1995	1,014		1,020
1996	1,019	990	1,028
1997	1,022		1,020
1998	1,025		1,032
1999	1,026		1,041
2000	1,022		1,022
2001	1,017	979	1,025
2002	1,012		1,025

Canada estimates the population at 1,019,500 in July of that year whereas Sask Health's covered population was 1,028,000.

Unless otherwise stated, the statistics in the rest of this section are derived from the Statistics Canada *Annual Demographic Statistics* report, the first column in Table 2.1.

Long Term Trends

Depending on the time frame and probably your point of view, the provincial population has been nearly constant for either the last twenty or the last seventy years. In 1931, in the first few years of the great depression, the province's population was just over 900,000 according the census. It dropped to a low of 832,000 in 1951 before recovering to nearly one million in the mid 1950s.

The best estimates by Statistics Canada show the population first reached one million in 1983 and it has fluctuated at just over that psychological mark ever since. In recent years, there have been periods of both growth and decline in the overall size of the population but compared with Canada as a whole, it's undeniably true that Saskatchewan's population is not growing.

The population grew at an average annual rate of nearly 0.9% from 1982 to 1987 before declining at almost the same rate (-0.7% per year) from 1987 to 1991. The period from 1991 to 1999 was characterized by a slow (0.3% per year) growth rate which has subsequently reversed.

Figure 2.1 Population of Saskatchewan, Statistics Canada Estimates, 1921 to 2002

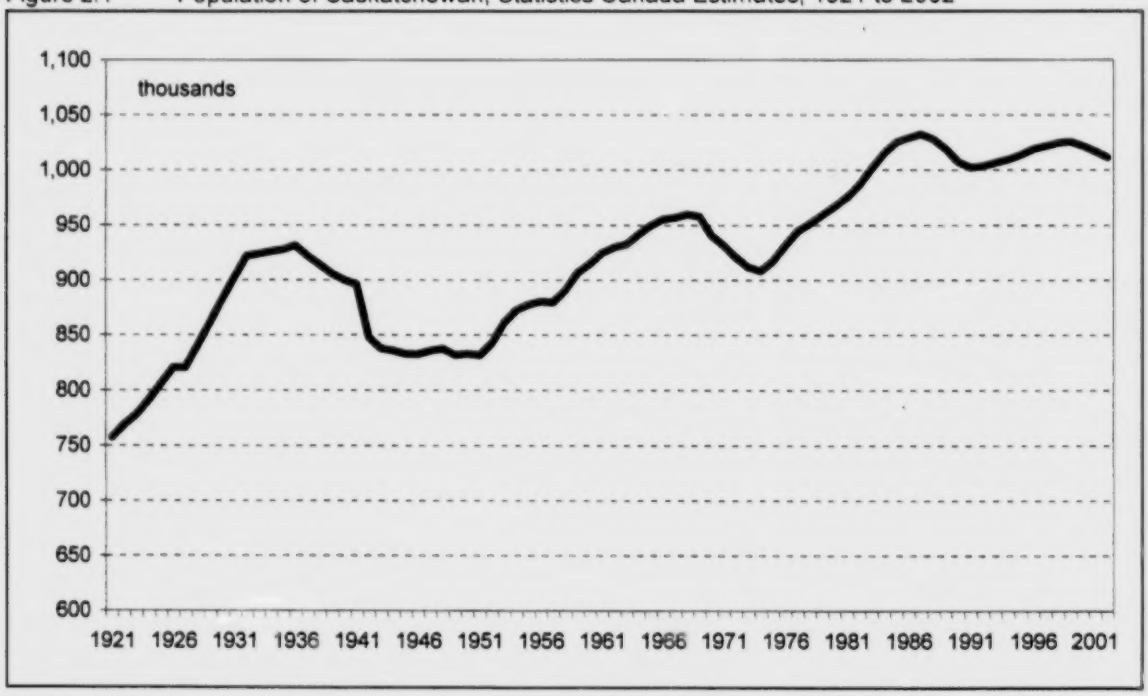
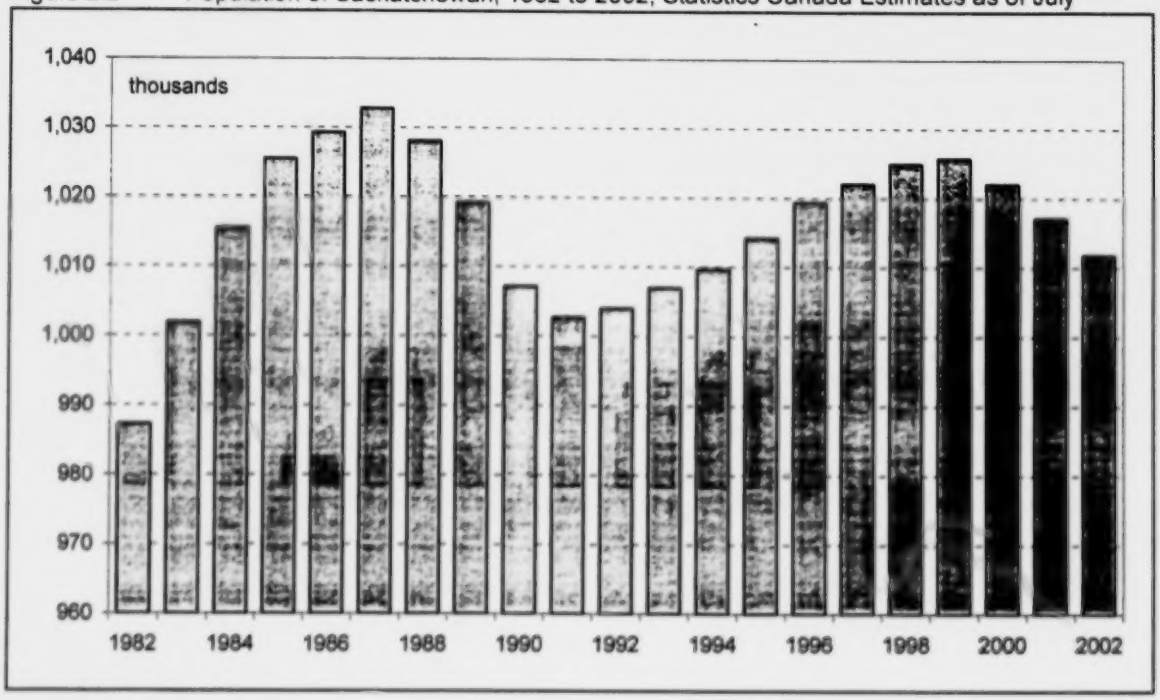


Figure 2 2 Population of Saskatchewan, 1982 to 2002, Statistics Canada Estimates as of July



Preliminary figures from 1999 to 2002 show a decline of 0.4% per year. Taken over the last twenty years, the population of the province has increased by an average of 0.1% per year, the equivalent of just over 1,000 people per year.

Inter-provincial Comparisons

Part of the reason for the anxiety about the provincial population is the fact that the population in most other provinces is growing whereas Saskatchewan's population is not. Using the twenty years from 1982 to 2002 as a reference, the population in Canada has grown by 1.1% per year on average compared with Saskatchewan's 0.1% per year. The only province with a lower growth rate was Newfoundland and Labrador with a decline averaging 0.4% per year. Alberta in particular has grown by 1.4% per year over the past twenty years and the population in Manitoba has grown by 0.5% per year.

The slower growth rate in the province has resulted in a lower "share" of the national population – from 3.9% of the Canadian population in 1982 to 3.2% in 2002. Over the longer term, the share has declined even more dramatically.

Figure 2.3 Average Annual Increase in Population, 1982 to 2002, by Province

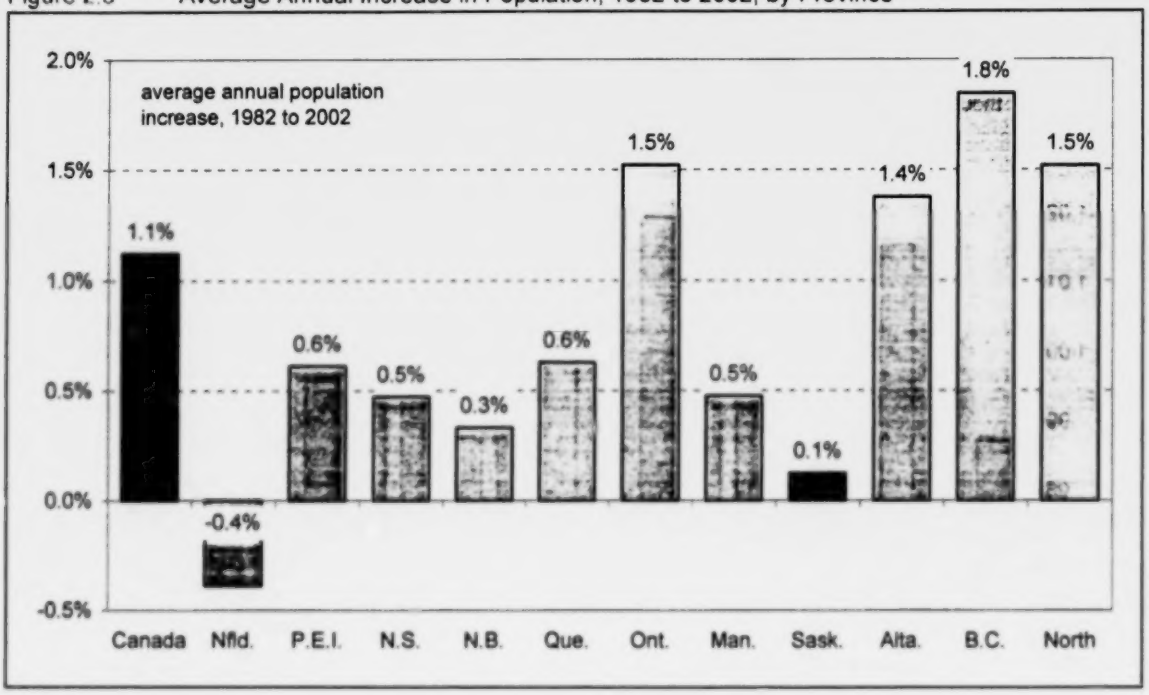
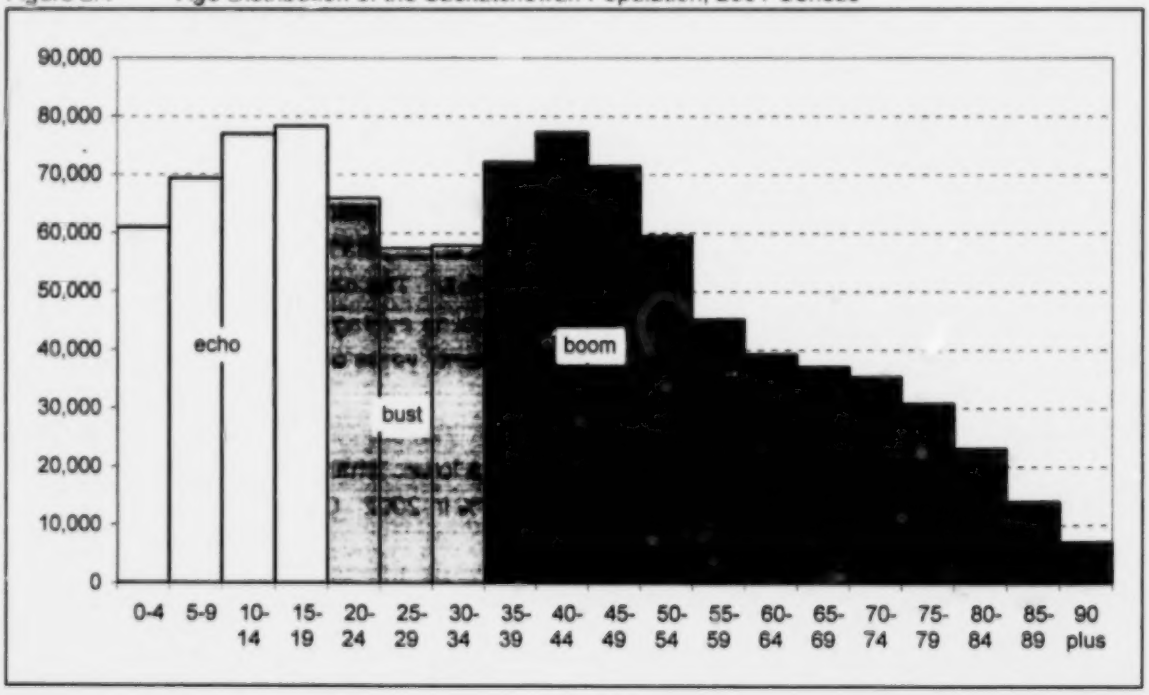


Figure 2.4 Age Distribution of the Saskatchewan Population, 2001 Census



Age Structure

While the size of the Saskatchewan population may be exhibiting little change, the demographic characteristics of the residents are certainly changing. The most important of these changing characteristics are age-related and the result of the so-called "baby boom" generation. In particular, the age structure of the province's residents shows the ongoing impact of the aging of this particular cohort.

Baby boomers were born in the 1950s and 1960s. Although there is some debate about when the end date is, the generally accepted definition has them in the 35 to 54 age group in 2001 (see Figure 2.4). As a group, these 280,000 individuals represent 29% of the provincial population, just under one third of the total, but one half of those 15 to 64 years of age.

The peak of the baby boom generation was in the 40 to 44 age group in 2001, that is, the bulk of them were born in the late 1950s.

The period after the baby boom is usually characterized as the "baby bust". There are relatively few people in this age group, currently 20 to 34 years of age. Children of the baby boomers form an age cohort called the "echo". These individuals are currently under 20 years of age. We shall see later in this report that the Saskatchewan demographic structure generally and the size of the echo generation is strongly influenced by the presence of a relatively large Aboriginal population in the province. This helps explain why the echo generation in Saskatchewan is so large.

Table 2.2 Saskatchewan Population by Age Group, 2001 Census

Age group	Population	Percent of total
0-4	60,940	6.2%
5-9	69,330	7.1%
10-14	76,960	7.9%
15-19	78,315	8.0%
20-24	65,925	6.7%
25-29	57,325	5.9%
30-34	57,800	5.9%
35-39	72,125	7.4%
40-44	77,205	7.9%
45-49	71,405	7.3%
50-54	59,475	6.1%
55-59	45,245	4.6%
60-64	39,315	4.0%
65-69	37,165	3.8%
70-74	35,415	3.6%
75-79	30,830	3.1%
80-84	23,060	2.4%
85-89	14,010	1.4%
90 plus	7,080	0.7%
Total	978,935	100.0%

Source: Statistics Canada Census

Inter-provincial Comparisons

Saskatchewan's age structure is noticeably different than in other provinces. In fact, the province has the distinction of being the province with both the highest proportion of its population over the age of 65 and the highest proportion of its population under 15. In other

words, there are, compared with other provinces, relatively few Saskatchewan residents in the 15 to 64 age group.

These different age structures are examined in Figures 2.5 through 2.7 by using the Canadian population as a reference point. The horizontal line (Canada = 100) is the "normal" age distribution in the sense that it represents the Canadian average. In provinces where age groups are over-represented the value will exceed 100 and the age distribution line will be above the horizontal line; in provinces with relatively few persons in the age group the line will be below the horizontal line.

The age distributions are quite different from province to province and this is reflected in the different scales in the figures. Populous provinces such as Quebec and Ontario are near the national average, largely because they are big enough to determine that average. Nevertheless, Ontario shows a disproportionately high number of persons in the 25 to 39 age group and their young children. Quebec has a higher than average proportion of older adults (40 to 74 years of age) and relatively few persons under 20 or over 80.

The Atlantic provinces had, in 2001, relatively few children and a disproportionate number of older seniors (80 and older) and older adults (45 to 69).

The prairie provinces show two patterns with Manitoba and Saskatchewan having a large proportion of older seniors (75 plus in Manitoba, 70 plus in Saskatchewan) and younger children (under 20 in the case of Manitoba, under 25 for Saskatchewan). Both provinces have a relative scarcity of those in the 30 to 64 age group. Alberta has a very high proportion of its population under 35 and a very low proportion over the age of 50.

British Columbia shows a higher proportion of older adults and seniors, relatively few younger children and an "average" number of persons 15 to 39 years of age. The North has a very young population with very few persons past the age of 50.

Figure 2.5 Relative Age Distributions in 2001, Atlantic Provinces, Quebec, and Ontario

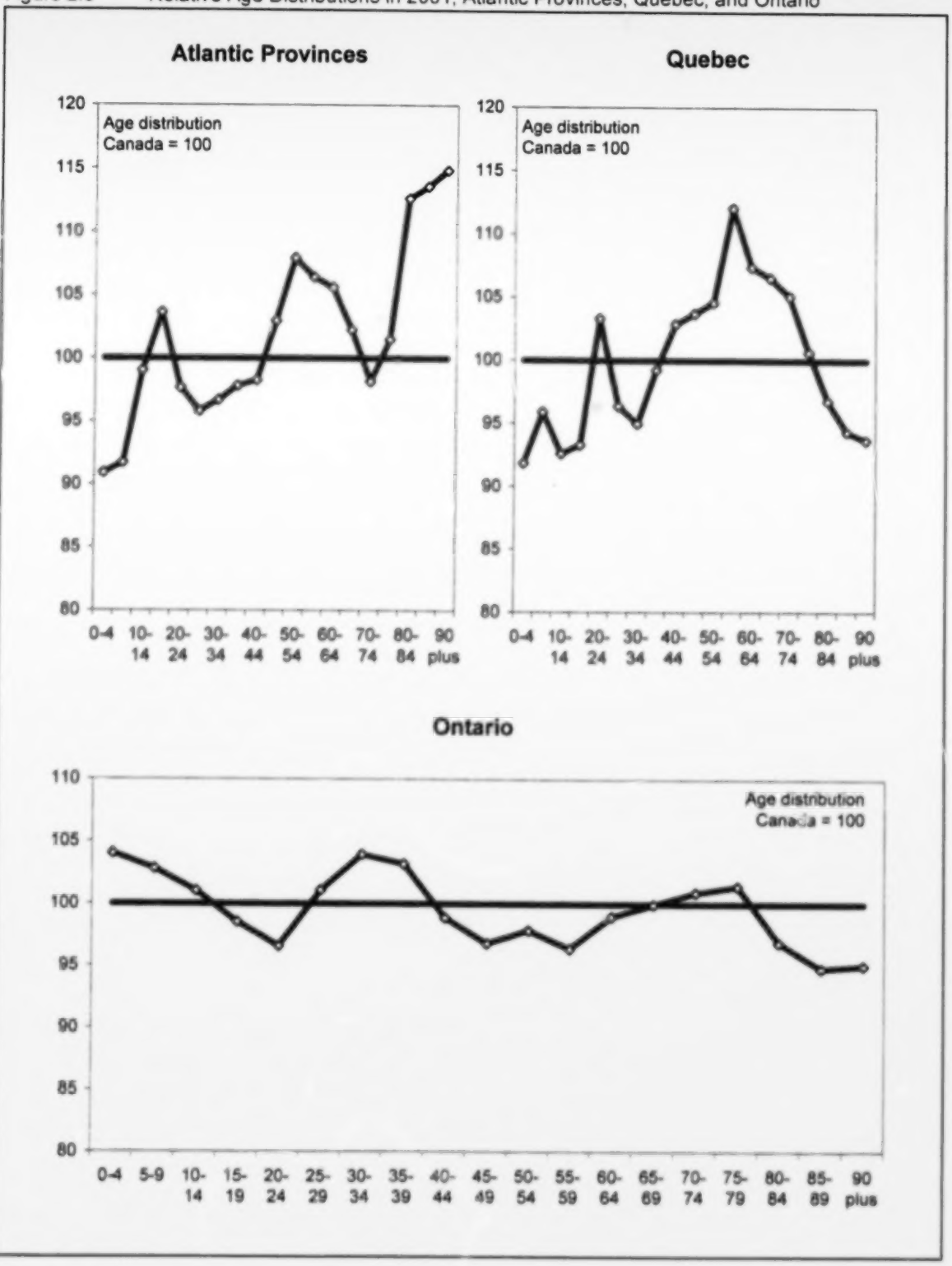


Figure 2.6 Relative Age Distributions in 2001, Manitoba, Saskatchewan, and Alberta

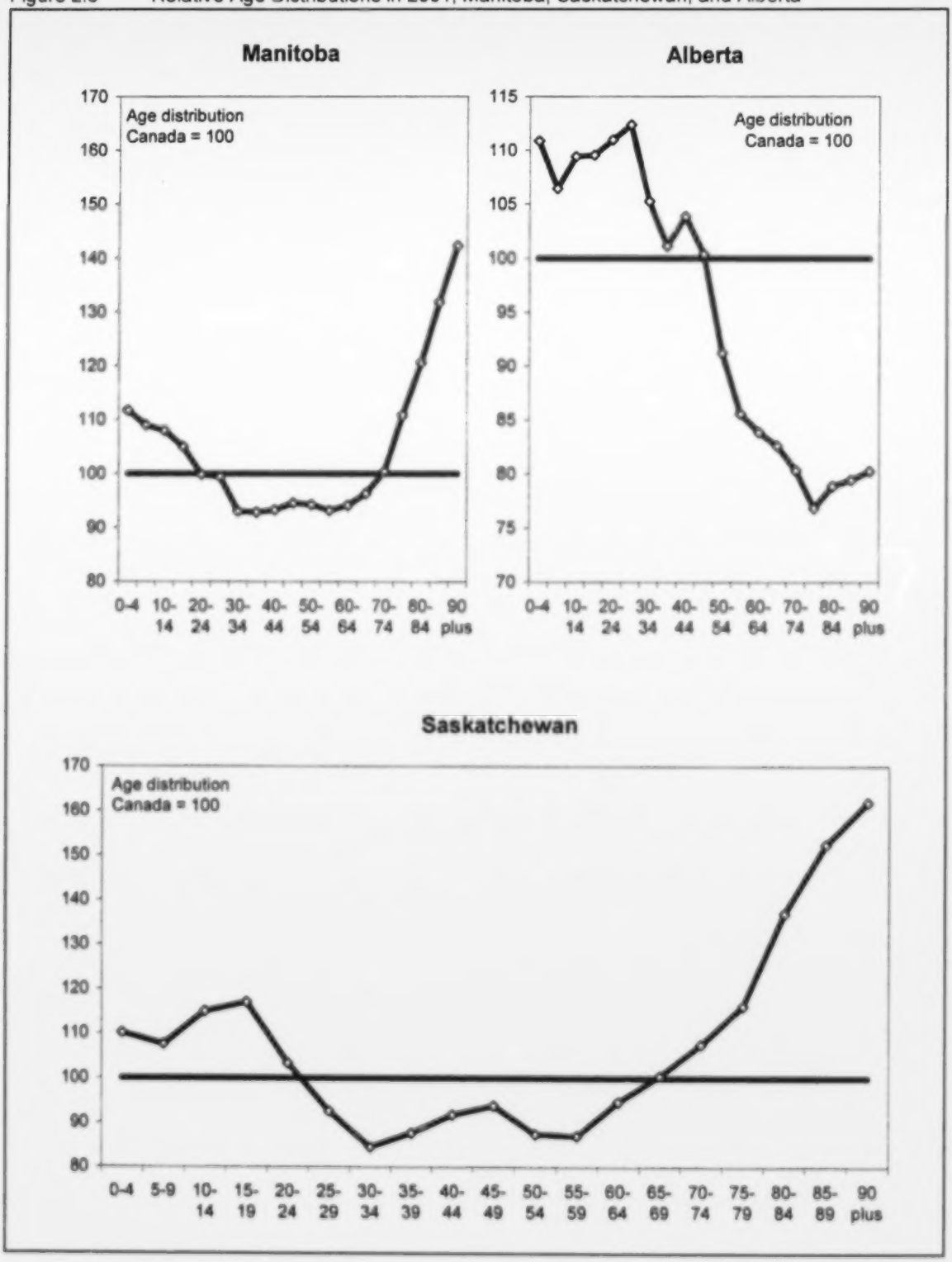
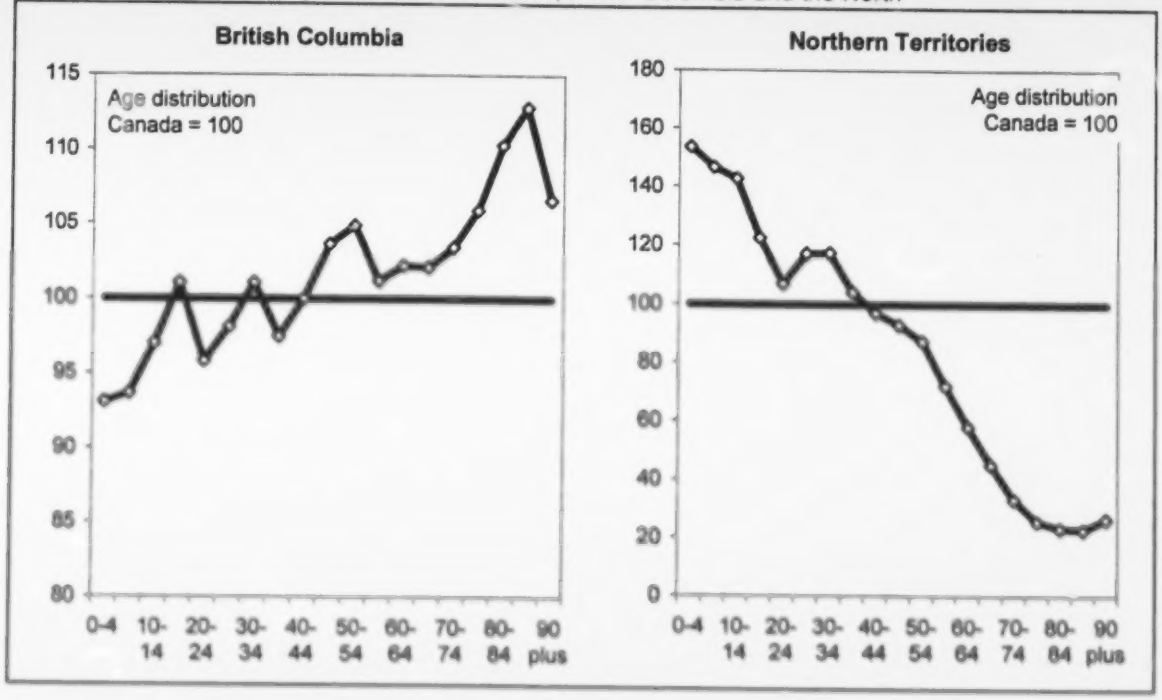


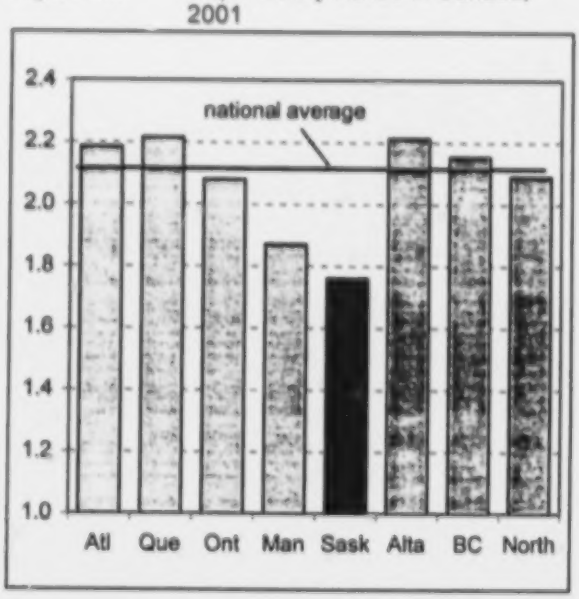
Figure 2.7 Relative Age Distributions in 2001, British Columbia and the North



One of the ways to summarize the age distribution is to look at the so-called dependency ratio, the number of persons under 15 or over 65 relative to the number in the 15 to 64 age group. Although this is a useful summary measure, the name seems to suggest that those under 15 and over 65 are "dependent" on those in the middle age group. That may be true for children but it certainly isn't true for seniors who pay taxes, contribute volunteer time in their communities, work, farm, look after grandchildren – that is, participate in all aspects of the economy and the society.

The dependency ratio in Saskatchewan was 1.76 in 2001. That is, there were 1.76 persons in the 15 to 64 age group for every person under 15 or older than 64. This compares with the national average of 2.12 and figures as high as 2.21 in Alberta and Quebec (see Figure 2.8). Only Manitoba has a dependency ratio approaching the low level in Saskatchewan.

Figure 2.8 Dependency Ratios in Canada, 2001



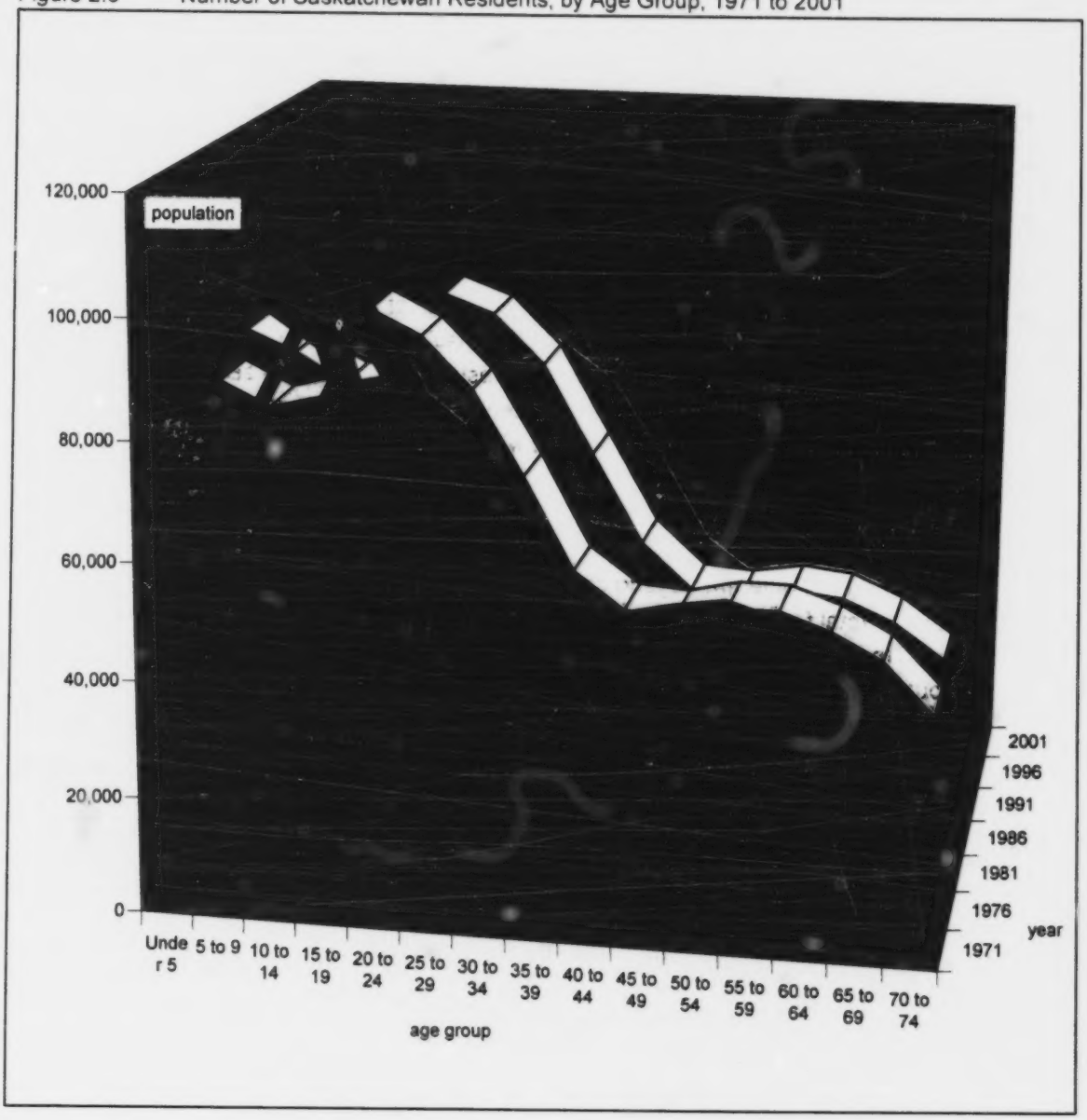
Changes Over Time

Figure 2.9 shows a three-dimensional picture of the province's age structure over the past thirty years. While complex, it clearly shows:

- how the bulge that is the baby boom generation moves successively from the 10 to 14 age group in 1971 to the 40 to 44 age group in 2001;
- how the peak of the population that was near 50 in 1971 has moved successively into the older age groups, flattening with successive years; and
- the arrival of the "echo" generation in the 1980s and its subsequent aging until it reaches the teen years in 2001.

The average age is not a good measure of the province's population. Because there are two peaks in the population, there are relatively few people who are actually at the "average" age. But the average does show, in simple terms, how the population has aged in the last thirty years. In 1971, the average age was 32 years and the median age was 27 years – that is, one half of the population was under 27 years and one half was older. By 2002, the average age had advanced by five years to 37 years and the median age had increased by nine years to 36 years of age.

Figure 2.9 Number of Saskatchewan Residents, by Age Group, 1971 to 2001



2.2 Natural Growth Rate

The natural growth rate is derived from the simple equation:

natural growth rate = births less deaths.

Births and deaths are, in turn, determined by both the fertility rate and the number of women in the child-bearing age group and by the mortality rate and the number of people in the appropriate age group.

Fertility and mortality rates are difficult to relate to specific geographic regions. With a mobile population, the measurement of fertility and mortality, both of which are functions of life-long activities, are rendered somewhat meaningless when isolated to a specific region. But a significant number of people spend all their life in Saskatchewan[1] so this section examines the fertility and mortality rates of Saskatchewan residents. The associated number of births and deaths and the natural growth rate is compared with fertility and mortality rates over time.

Fertility Rates

There are a number of different ways to calculate fertility rates but the most useful for our purposes is the "total fertility rate" which is the total number of live births per woman 15 to 49 years of age. In simple terms, this is the number of children that the "average" woman will bear over the course of her lifetime if she gives birth at the current rates. Total fertility rates of approximately 2.1 are required to maintain the size of a population over time.

Fertility rates in both Canada and Saskatchewan are well below that replacement level (see Figure 2.10) and have been for the past decade[2]. Saskatchewan's total fertility rate was 1.8 in 1999, the most recent year available, compared with 1.5 for Canada as a whole. If Canada's and Saskatchewan's populations are to grow in the future, immigration will be required – fertility rates are simply too low to sustain the current population levels.

Figure 2.10 also shows one of the reasons why Saskatchewan's fertility rate is above the national average. While fertility rates for the general Aboriginal population are not available, Health Canada reports that Registered Indian women have total fertility rates near 2.6 for 1999. A rough calculation suggests that fertility rates for non-Aboriginal women in Saskatchewan would be near but still slightly above the national average. The trend in fertility rates among First Nation women is on a downward trend; rates are expected to continue to decline for the foreseeable future.

---

1 *In 2001, 80% of Saskatchewan residents were born in the province.*

2 *Source: Report on the Demographic Situation in Canada, Statistics Canada 91-209, for the general population; Vital Statistics of the Saskatchewan Registered Indian Population, Health Canada, for the Registered Indian population.*

Figure 2.10 Total Fertility Rate, Canada and Saskatchewan, 1986 to 1999

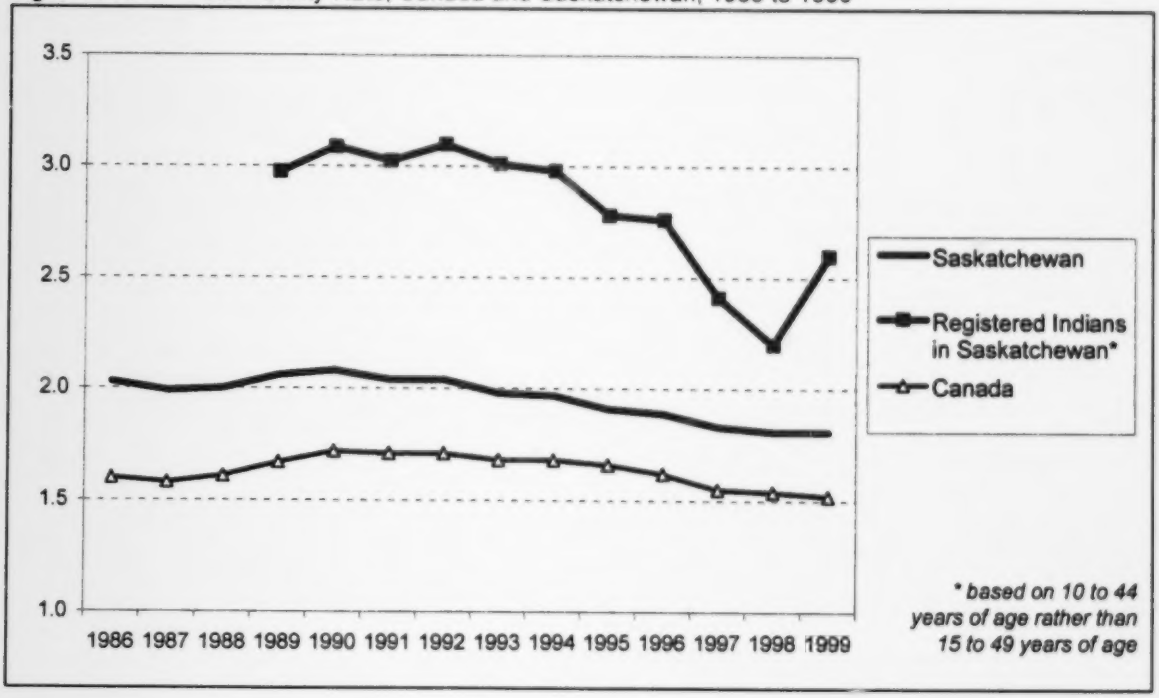
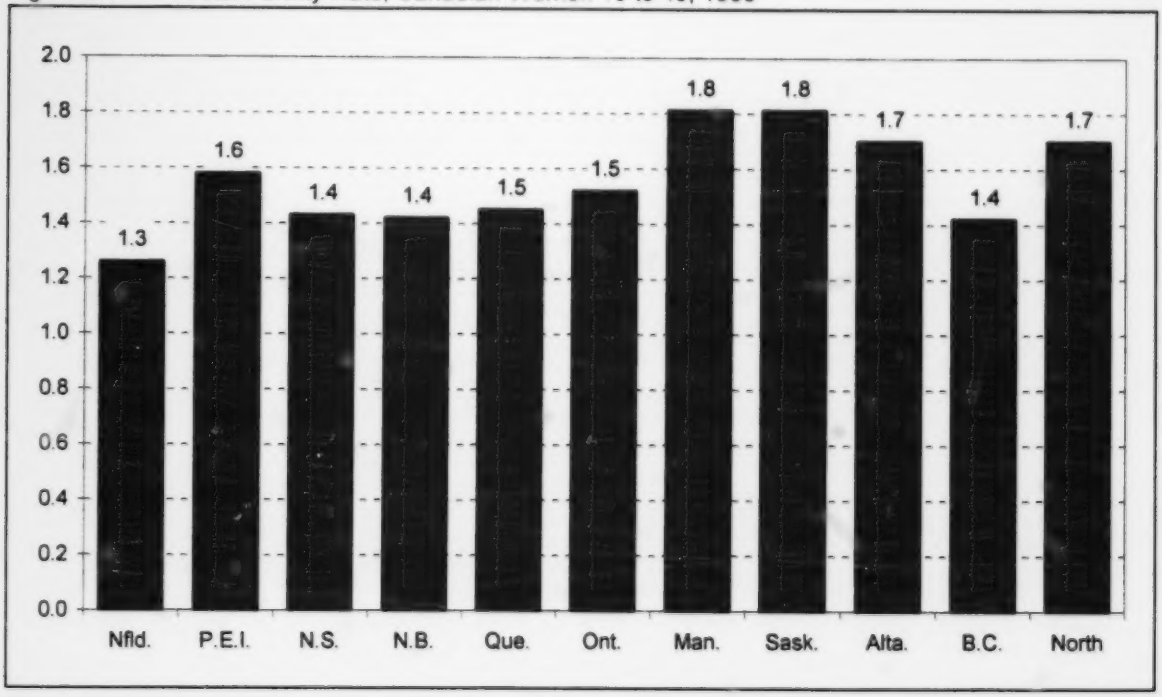


Figure 2.11 Total Fertility Rate, Canadian Women 15 to 49, 1999



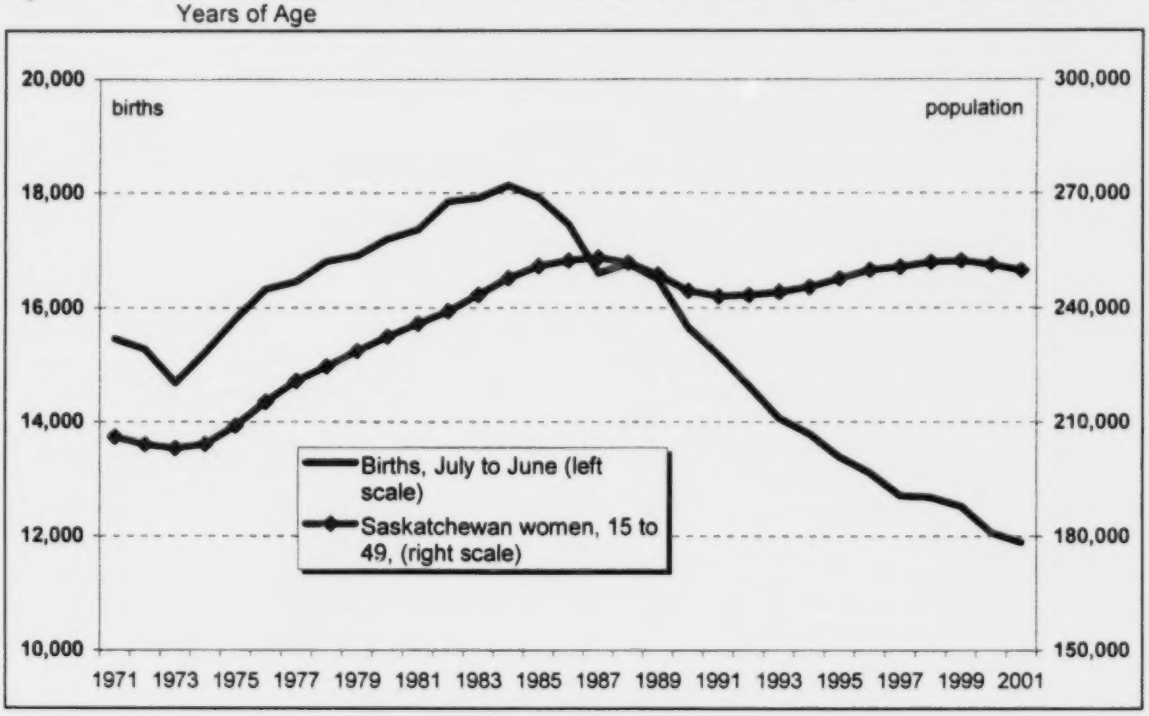
Saskatchewan women have one of the highest total fertility rates in Canada (see Figure 2.11). In 1999, the total fertility rate of 1.8 was similar to Manitoba and the highest in Canada.

Births

The number of births is a function of both the fertility rate and the number of women in the relevant child-bearing age group. In the 1970s, the number of births rose in spite of the declining fertility rates because the population of women 15 to 49 years of age was increasing. This was the baby boom generation moving into the family formation age group and the origin of the "echo" generation.

Since then, the number of women has been stable and the declining fertility rates have translated directly into a decline in the number of births. As the "echo" generation moves into the family formation age group in the next ten to fifteen years, the number of births will start to rise again, even with a stable fertility rate.

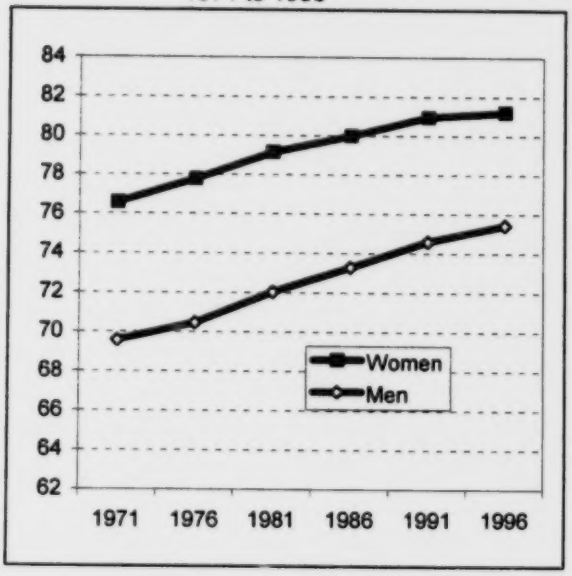
Figure 2.12 Number of Live Births in Saskatchewan Compared with Population of Women 15 to 49 Years of Age



Mortality Rates

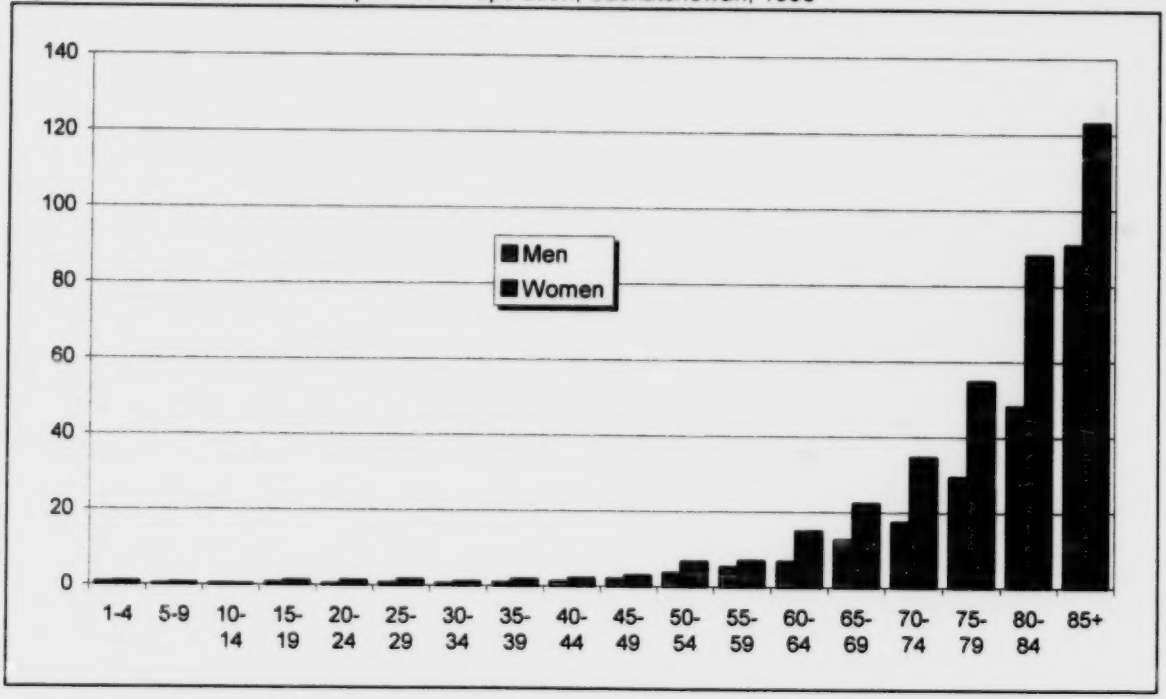
As with births, the number of deaths is a function of mortality rates and the population in age groups with a higher mortality rate. There are a variety of ways to measure mortality rates; the figures in Figure 2.13 show life expectancy at birth, one of the simpler ones, for Canada[3]. As mortality rates have improved, life expectancy has increased. While there are valid arguments why this improvement in life expectancy may soon slow, one can reasonably expect that mortality rates will continue to decline in the foreseeable future.

Figure 2.13 Life Expectancy at Birth, Canada, 1971 to 1996



Saskatchewan's mortality for specific age groups, expressed as deaths per 1000 population, are shown in Figure 2.14. The

Figure 2.14 Annual Deaths per 1000 Population, Saskatchewan, 1996

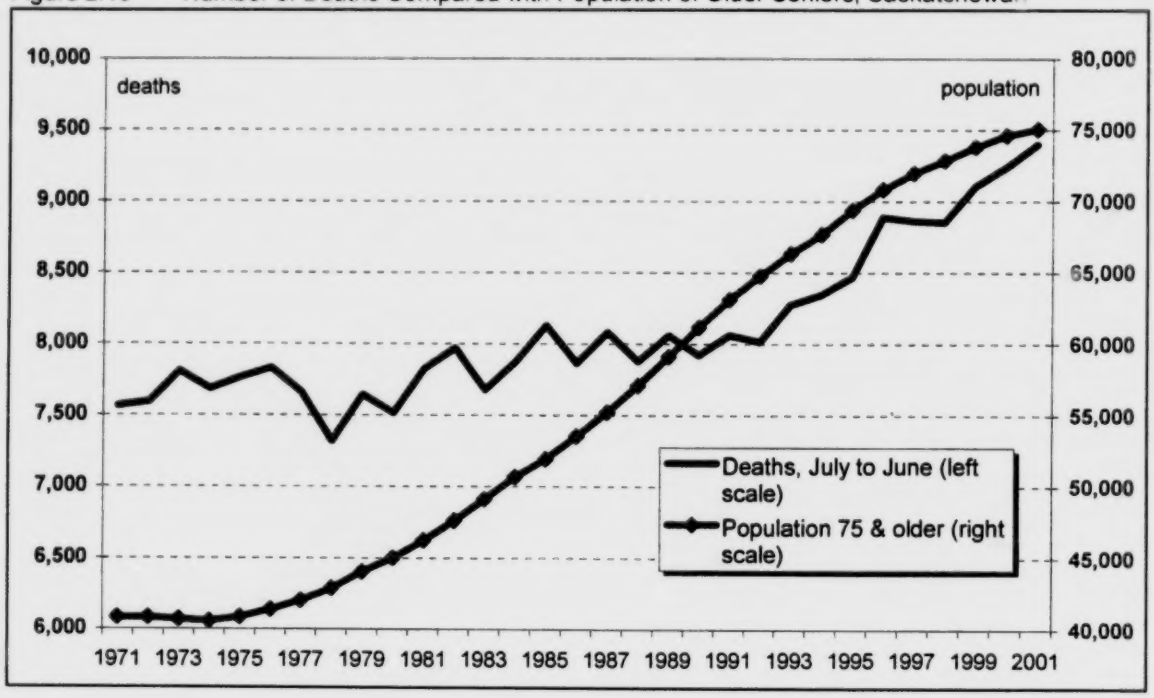


3 *Source: Report on the Demographic Situation in Canada, Statistics Canada 91-209*

number of deaths begins to increase significantly at age 60 so the population in the older age groups is the critical factor in forecasting the number of deaths. In 2001, for example, 62% of deaths in Saskatchewan were among those over the age of 75.

Figure 2.15 shows that the number of deaths in Saskatchewan fluctuated near 7,500 per year in the 1970s, increased to near 8,000 per year in the 1980s, and has grown to nearly 9,500 in recent years. In other words, the increase in the number of elderly in the province has resulted in an increase in the number of deaths in spite of the declining mortality rates.

Figure 2.15 Number of Deaths Compared with Population of Older Seniors, Saskatchewan



Natural Growth

Table 2.3 and Figure 2.16 show the net effect of changes in fertility and mortality rates when combined with the population's changing age structure.

In the past thirty years there has been a increase followed by a decline in the number of births. When this is combined with the recent increase in the number of deaths, the natural growth rate has fallen sharply. With no international or inter-provincial migration in the mid 1980s, the population would have grown by over 10,000 people, a 1% growth rate. With the same lack of migration in 2001-02, the Saskatchewan population would have grown by 2,500 people, a 0.25% growth rate.

Over the short to medium term, the natural growth rate will remain low and may even turn negative as the number of deaths continues to increase and the number of births falls or stabilizes.

Saskatchewan is not alone in having a low natural growth rate. The natural growth rate for Canada as a whole is 0.31%, just slightly above the 0.25% rate in Saskatchewan. Figure 2.17 shows that the Atlantic provinces and Quebec also have low natural growth rates. This figure also shows one of the reasons why Alberta's population continues to grow – the disproportionately high number of young people in the province and the disproportionately low number of seniors yields a population growth rate of 0.6% per year, even without the effects of migration.

Table 2.3 Births, Deaths, and Natural Growth, Saskatchewan

July to June:	Births	Deaths	Natural growth
1971-1972	15,456	7,563	7,893
1972-1973	15,280	7,591	7,689
1973-1974	14,680	7,806	6,874
1974-1975	15,217	7,681	7,536
1975-1976	15,809	7,765	8,044
1976-1977	16,328	7,830	8,498
1977-1978	16,463	7,657	8,806
1978-1979	16,813	7,318	9,495
1979-1980	16,906	7,642	9,264
1980-1981	17,201	7,514	9,687
1981-1982	17,359	7,822	9,537
1982-1983	17,856	7,969	9,887
1983-1984	17,912	7,675	10,237
1984-1985	18,137	7,872	10,265
1985-1986	17,916	8,128	9,788
1986-1987	17,461	7,862	9,599
1987-1988	16,604	8,079	8,525
1988-1989	16,772	7,875	8,897
1989-1990	16,499	8,059	8,440
1990-1991	15,655	7,921	7,734
1991-1992	15,177	8,061	7,116
1992-1993	14,631	8,013	6,618
1993-1994	14,068	8,273	5,795
1994-1995	13,795	8,344	5,451
1995-1996	13,392	8,466	4,926
1996-1997	13,114	8,886	4,228
1997-1998	12,711	8,859	3,852
1998-1999	12,677	8,851	3,826
1999-2000	12,524	9,105	3,419
2000-2001	12,060	9,237	2,823
2001-2002	11,896	9,399	2,497

Figure 2.16 Birth, Deaths, and Natural Growth, Saskatchewan, 1971-72 to 2001-02

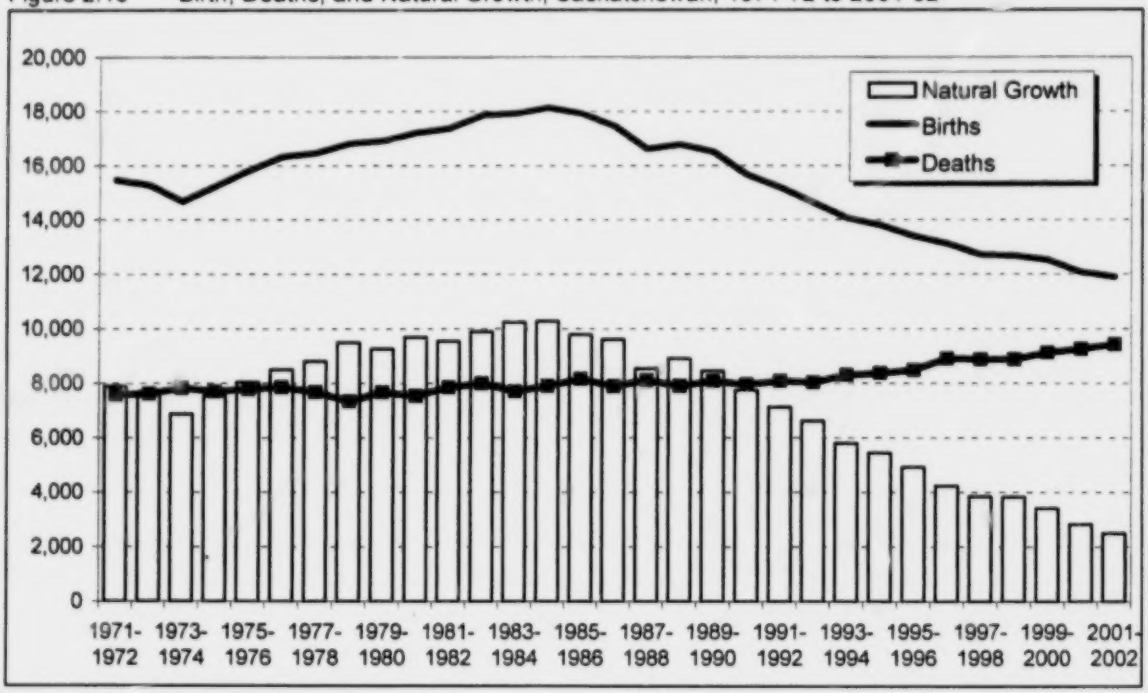
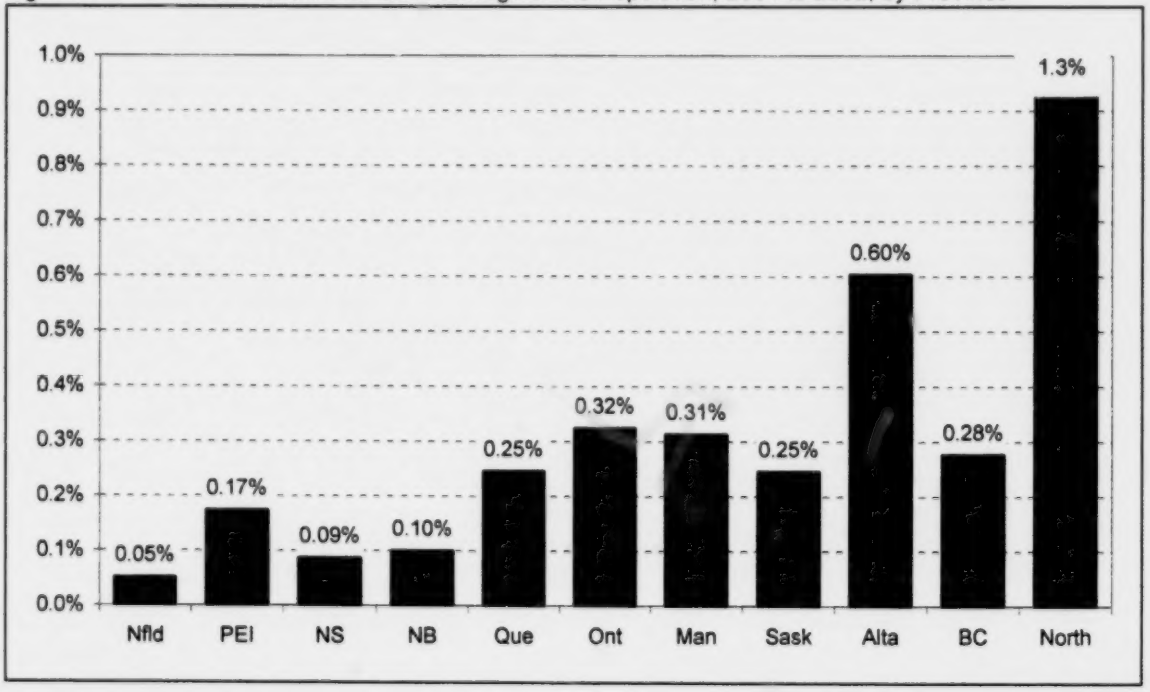


Figure 2.17 Natural Growth as a Percentage of the Population, 2001 to 2002, by Province



2.3 Inter-provincial Migration

The size of Saskatchewan's population was originally determined by international immigration but for at least the last thirty years, inter-provincial migration has been the key factor. Although anecdotal evidence abounds, virtually nothing is known about why people leave the province or why they move here[4]. What we do know is how many people move into and out of the province, their age, and the province that they are moving to or coming from. These data are examined in this section.

Trends in Inter-provincial Migration

We found in Section 2.2 that the natural growth rate for the province was low but it has, at least, always been positive. The reason that the population hasn't grown is inter-provincial migration, an issue for Saskatchewan in most of the last seventy years.

Figure 2.18 shows that in the past thirty one years, inter-provincial migration has contributed to an increase in the population in only six years. The number of people moving into the province was higher in the 1970s, reaching a high of nearly 30,000 in the 1974-75 period. Since than it has fallen to near 15,000 and has been relatively stable until the recent (preliminary) estimate of 18,968 in the 2001-02 period.

Out-migration, on the other hand, has been more volatile with peaks near 40,000 per year in the early 1970s and a spike near 36,000 in the late 1980s. The low points of out-migration have been in the mid 1970s, early 1980s, and the mid 1990s when out-migration was less than 20,000 per year.

Not surprisingly, net migration tends to be large and negative when out-migration is high. Net outflow from the province has been as high as 20,000 in the late 1980s when out-migration peaked at over 35,000. There was a positive flow into the province in the mid 1970s and early 1980s when out-migration was lower than average.

The final observation that can be made about the migration data is that it tends to move in waves; there are no abrupt changes from year to year.

On average, the province has lost 0.6% of its population per year over the last thirty-one years to the net effects of inter-provincial migration. With a lower natural growth rate in the 1990s, even a small net outflow now tends to lead to an overall population decline.

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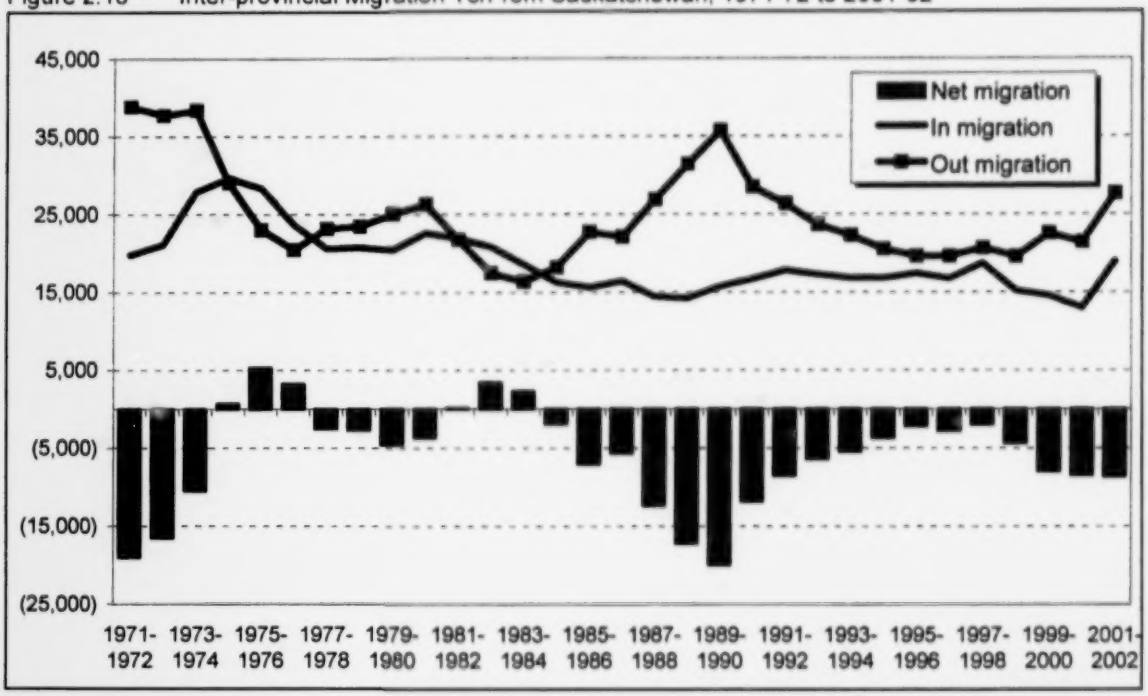
[4] *In Section 4, we examine the evidence and speculate on some of the possible reasons for inter-provincial migration.*

Figure 2.18 Inter-provincial Migration To/From Saskatchewan, 1971-72 to 2001-02



Saskatchewan is not unique in having a migration issue to deal with. Figures 2.19 through 2.22 show migration patterns for the other provinces in the past thirty one years.

Newfoundland has a record similar to Saskatchewan's. Out-migration has exceeded in-migration in 27 of the past 31 years and has averaged 0.6% per year, the same rate as Saskatchewan The other Atlantic provinces have fared better with P.E.I. showing a positive flow in all but nine of the years and an overall average of 0.2% growth/year as result of migration. New Brunswick and Nova Scotia have an average of 0.0% as a result of migration although periods of net outflow have exceeded periods of net inflow in both provinces.

Ontario has had a net outflow from inter-provincial migration in 15 of the 31 years with an overall average of 0.0% per year whereas Quebec has experienced outflow in all 31 years (see Figure 2.20). Quebec's outflow is small relative to its population, however, and the outflow has averaged 0.2% per year over the period.

In the prairie provinces, Saskatchewan has averaged a net outflow of 0.6% per year, Manitoba has averaged 0.5% per year. Manitoba's outflow has been more consistent however, with a net inflow in only one of the 31 years whereas Saskatchewan has managed a net inflow in six of the 31 years. Alberta has also experienced period of net out-migration (10 of them, mostly in the 1980s) but has very large inflows in other periods. The overall average is a 0.5% growth rate per year.

B.C. is similar to Alberta in that the overall average is a 0.5% growth rate per year and nine periods out of 31 with a negative growth. In B.C.'s case, however, those outflows have been in recent years. The North's migration pattern is very volatile, although it is negative in most years.

Newfoundland, Saskatchewan, Manitoba, and the North have the highest average outflows at 0.6% per year for Newfoundland and Saskatchewan, 0.7% per year for the North, and 0.5% per year for Manitoba. B.C. and Alberta are the largest recipients of inter-provincial migration flows with average growth rates of 0.5% per year from migration. Quebec and Manitoba have the most consistent patterns of outflow.

Table 2.4 Inter-provincial Migration, Saskatchewan

July to June:	Inflow	Outflow	Net Migration
1971-1972	19,831	38,826	(18,995)
1972-1973	21,167	37,691	(16,524)
1973-1974	27,887	38,359	(10,472)
1974-1975	29,697	29,000	697
1975-1976	28,299	23,003	5,296
1976-1977	23,691	20,428	3,263
1977-1978	20,637	23,141	(2,504)
1978-1979	20,779	23,453	(2,674)
1979-1980	20,428	24,992	(4,564)
1980-1981	22,603	26,207	(3,604)
1981-1982	21,867	21,716	151
1982-1983	20,810	17,409	3,401
1983-1984	18,592	16,315	2,277
1984-1985	16,289	18,163	(1,874)
1985-1986	15,639	22,660	(7,021)
1986-1987	16,416	22,070	(5,654)
1987-1988	14,454	26,818	(12,364)
1988-1989	14,216	31,381	(17,165)
1989-1990	15,748	35,676	(19,928)
1990-1991	16,665	28,448	(11,783)
1991-1992	17,796	26,277	(8,481)
1992-1993	17,258	23,606	(6,348)
1993-1994	16,828	22,259	(5,431)
1994-1995	16,814	20,466	(3,652)
1995-1996	17,411	19,572	(2,161)
1996-1997	16,771	19,565	(2,794)
1997-1998	18,697	20,637	(1,940)
1998-1999	15,200	19,533	(4,333)
1999-2000	14,556	22,503	(7,947)
2000-2001	12,985	21,395	(8,410)
2001-2002	18,968	27,603	(8,635)

Figure 2.19 Net Inter-provincial Migration, Atlantic Provinces, 1971-72 to 2001-02

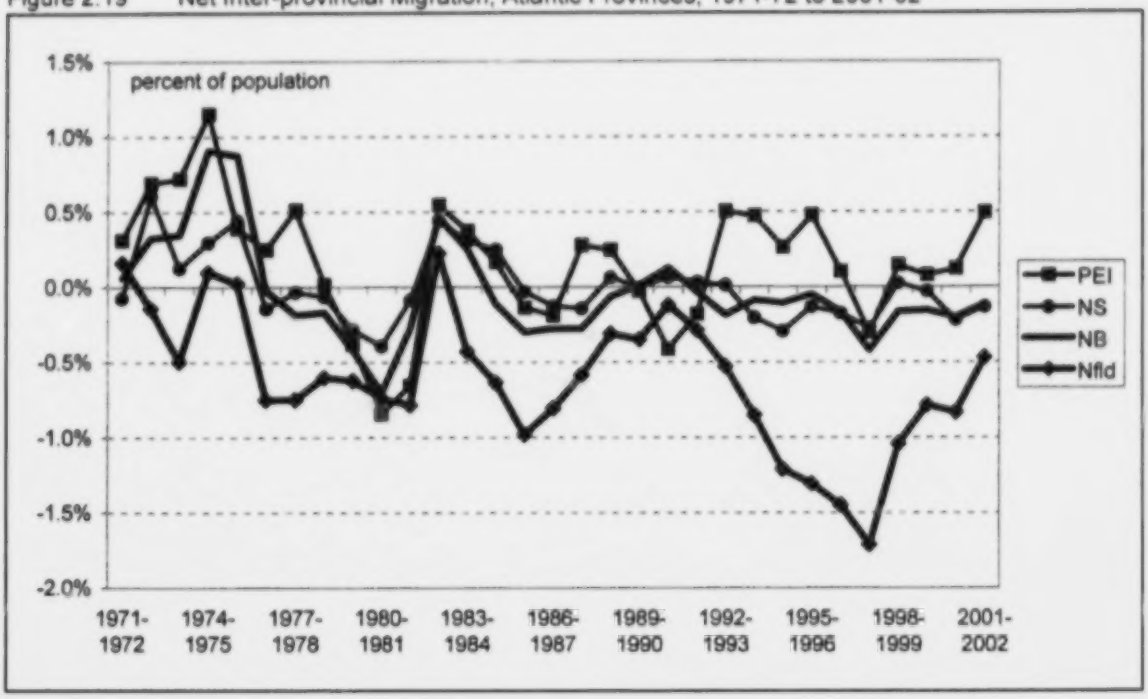


Figure 2.20 Net Inter-provincial Migration, Ontario and Quebec, 1971-72 to 2001-02

Figure 2.21 Net Inter-provincial Migration, Prairie Provinces, 1971-72 to 2001-02

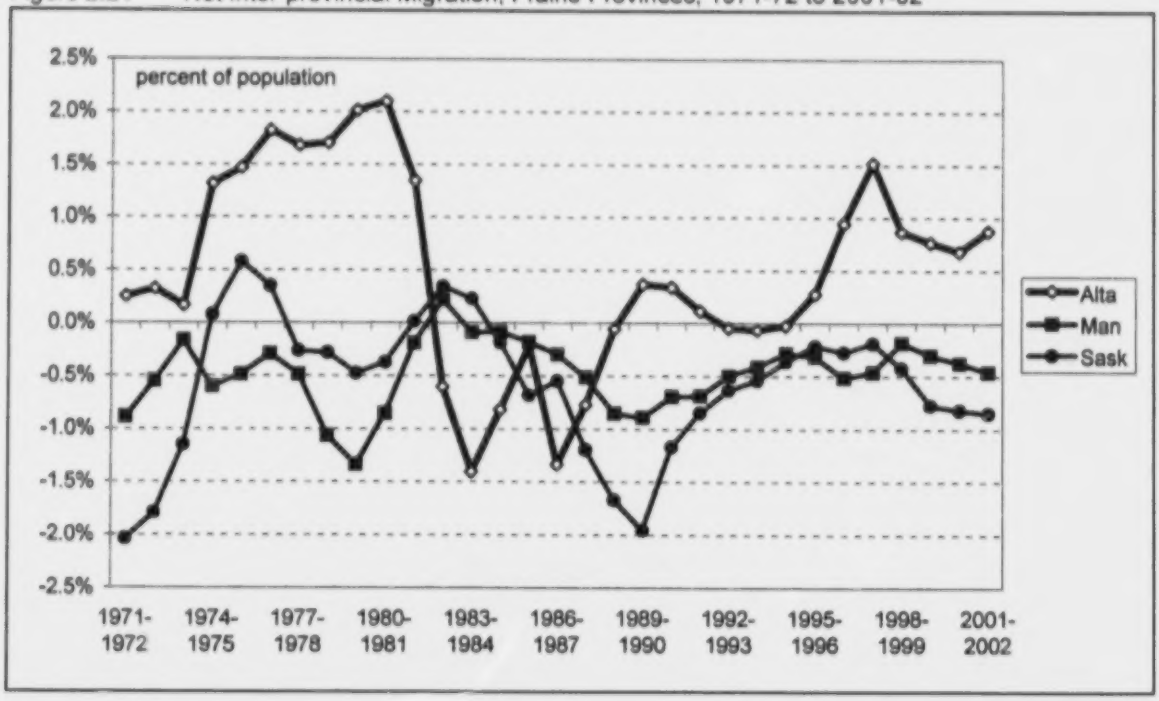
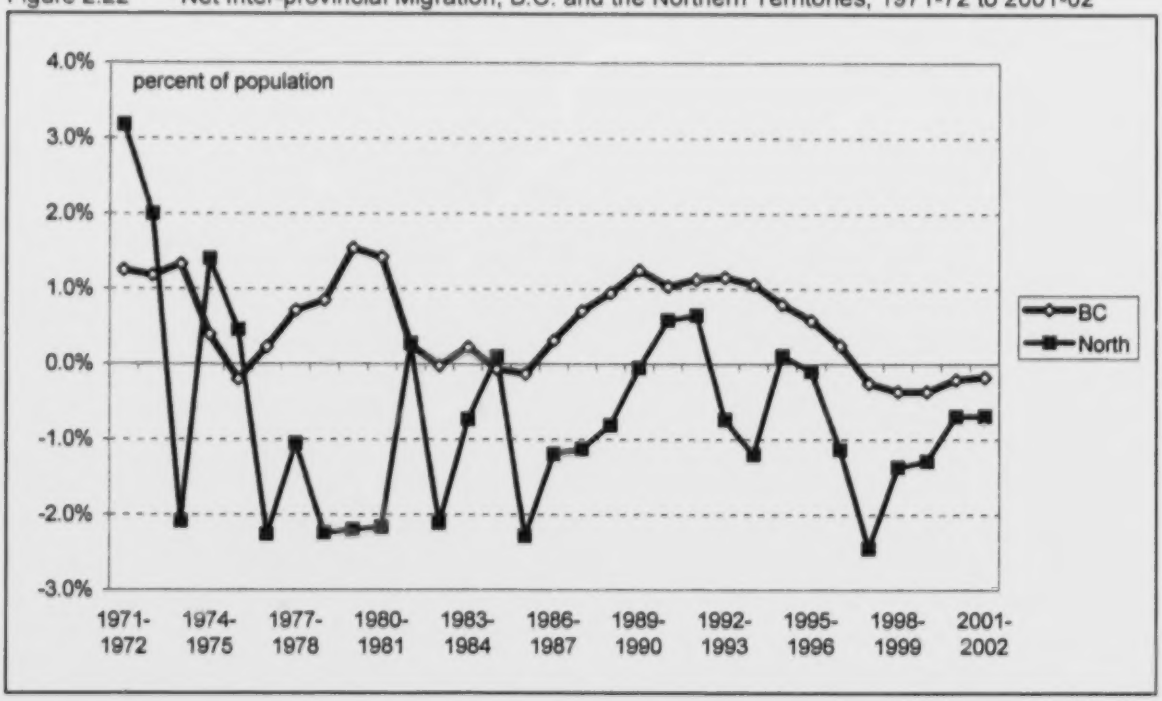


Figure 2.22 Net Inter-provincial Migration, B.C. and the Northern Territories, 1971-72 to 2001-02



Age of Migrants

One of the reasons for the ongoing concern about out-migration is not so much that it occurs but that it tends to occur disproportionately among the young. We shall see that this is not a unique problem to Saskatchewan although it is still a cause for concern.

For this analysis, we break the population down into five age groups depending on their propensity to migrate.

- Children under the age of 15 will almost always migrate with their parents.
- Youth are defined as those 15 to 29 years of age, the cohort with the weakest economic ties to a particular location and those most likely to migrate to post-secondary institutions in other provinces.
- Middle aged adults are those 30 to 54 years of age who probably have work and family commitments in a particular location but they are also the most likely to be relocated to other offices if they work for large national or international corporations.
- Retirement adults are those 55 to 69 years of age who are already retired or are planning to retire in the near future. Retirement often involves a change in residence.
- Seniors are those 70 and older who are probably already retired; most will have made the decision to remain in their current residence but migration may still occur for health reasons.

Figure 2.23 Rate of Migration (in-migration plus out-migration as % of population), 1996-97, by Age Group

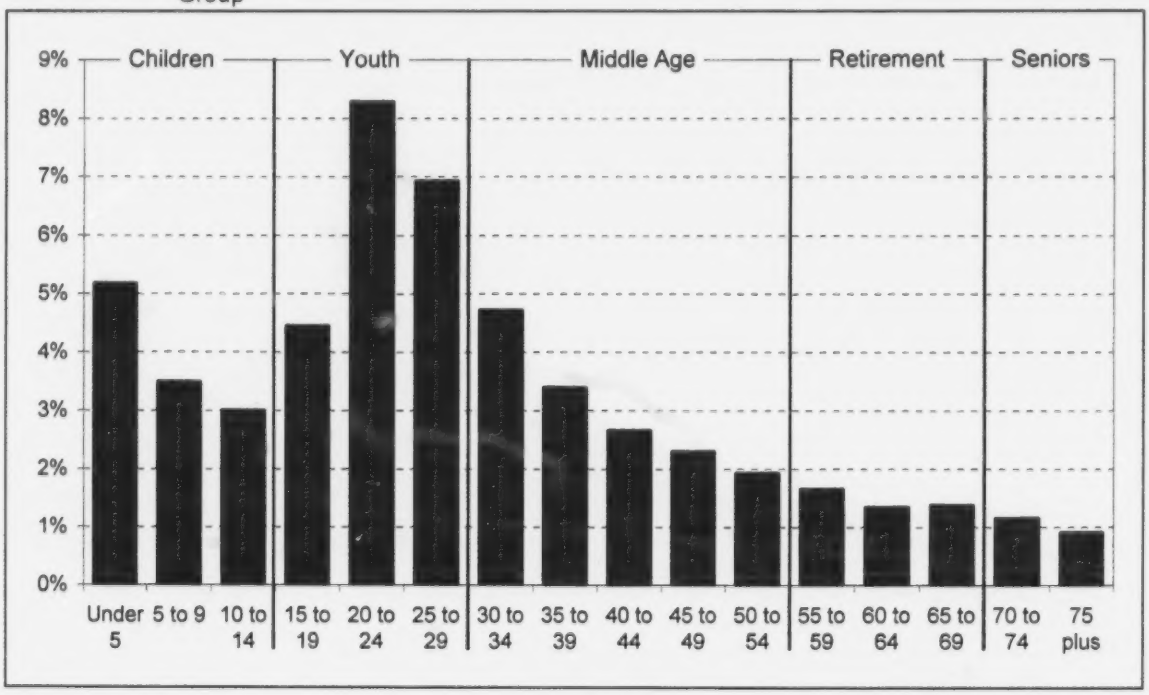


Figure 2.23 shows the rate of migration (calculated as the sum of in and out migration to/from Saskatchewan as a percentage of the population) from July 1996 to June 1997. This is a representative year to show the propensity of certain age groups to move to a different province.

Figures 2.24 to 2.27 on the next two pages show net migration rates for the four older groups (i.e. excluding children). Net migration is calculated as the difference between in and out migration expressed as a percentage of the population at the start of the period. The line that overlays each of the specific graphs shows the overall net migration rate for Saskatchewan, that is, the rate for all age groups.

Youth are the most likely to migrate to other provinces. The net migration rates range from -3.9% in 1989-90 to +1.4% in 1975-76. The rate is negative for all but five of the past 31 years. The other observation is that the migration rates for youth tend to follow the general pattern of migration. This is partly because they account for a large proportion of migration (over 50% in 2001-02, for example) and so help determine the overall migration pattern. Still, it is striking that in no period is the youth migration rate out of step with the overall migration rate.

Adults (30 to 54 years of age) are the second most likely to migrate to other provinces. Their net migration rate ranges from a low of -2.4% in 1971-72 to a high of 0.5% in 1976-77. The rate is negative for all by seven of the past 31 years. As with youth, the adult migration rate tends to track the overall migration rate although there was a short period in the late 1970s when adult migration was near zero and overall migration was negative.

The retiree group (55 to 69 years of age) has a consistent negative net migration rate. The rate is relatively low, typically less than 0.5% per year, and relatively stable. This is in keeping with the view that there is a relatively steady flow of retirees who move to other provinces when they retire to escape Saskatchewan weather, to return to their birthplace, or to follow their children and grandchildren. In spite of the consistency of outward flows, however, there is still some evidence that the migration rates for this group tend to follow the overall migration rate as well.

Seniors (70 and older) have the lowest migration rate and rates for this group are also consistently negative. There is very little evidence that this group tends to follow the overall migration pattern.

Young people are some of the more valued members of a society for a number of reasons. From a demographic point of view, they are the source of future population growth because young couples are the source of births. From an economic point of view, their spending on houses, cars, groceries, and clothing, tends to sustain economic growth more so than their older parents who spend a good deal of their money saving for retirement or going on vacation out of the province.

Figure 2.24 Youth Net Migration Rate (15 to 29 years), Saskatchewan, 1971-72 to 2001-02

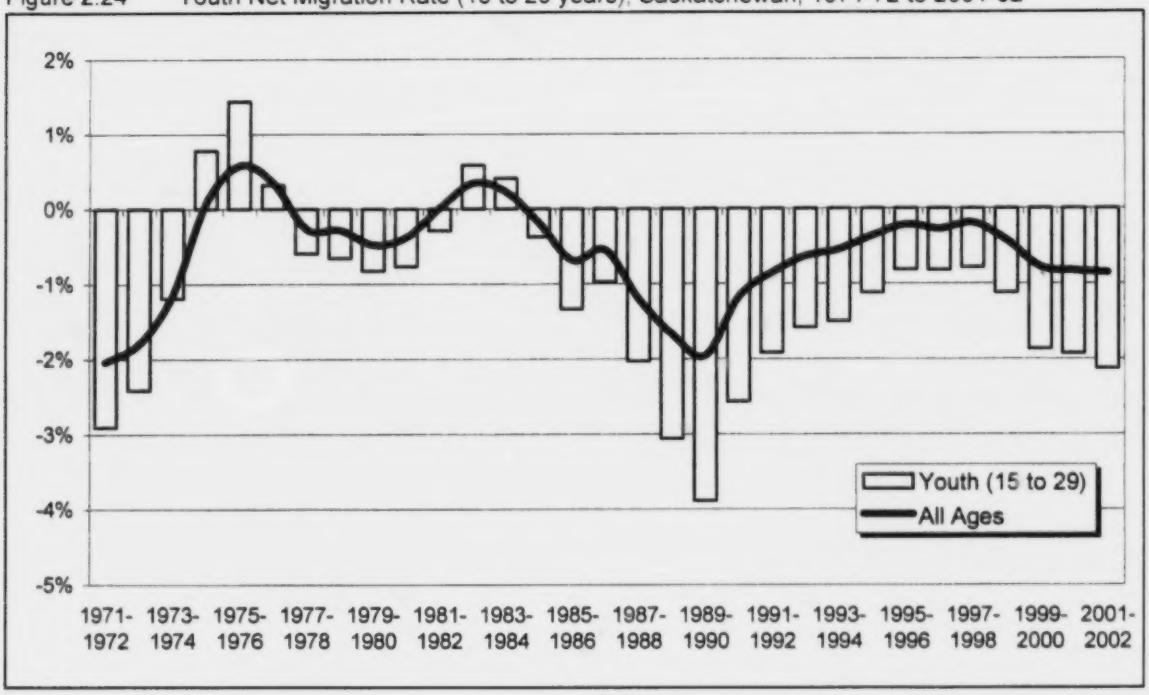


Figure 2.25 Adult Net Migration Rate (30 to 54 years), Saskatchewan, 1971-72 to 2001-02

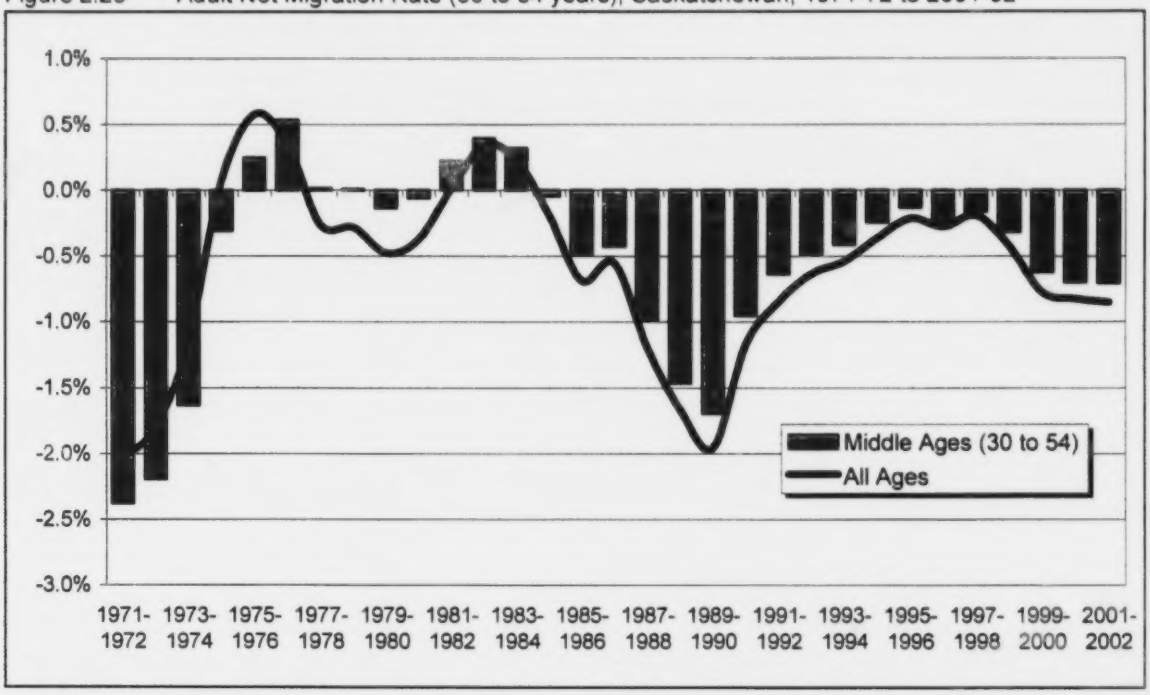


Figure 2.26 Retiree Net Migration Rate (55 to 69 years), Saskatchewan, 1971-72 to 2001-02

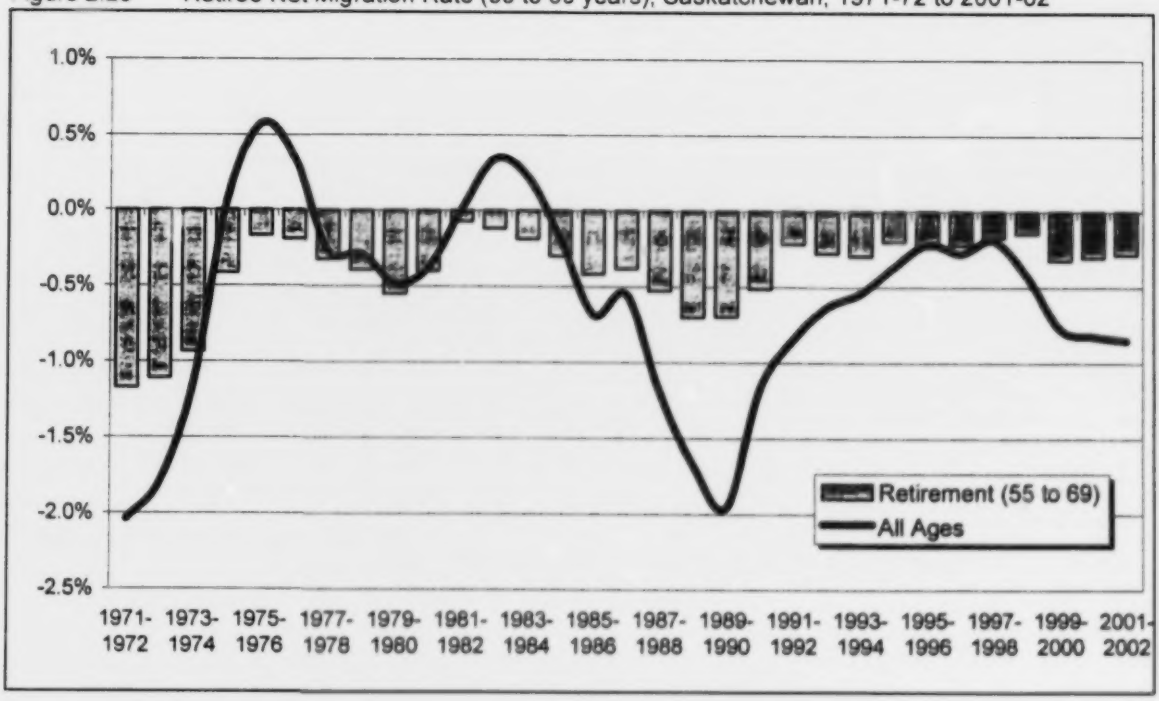
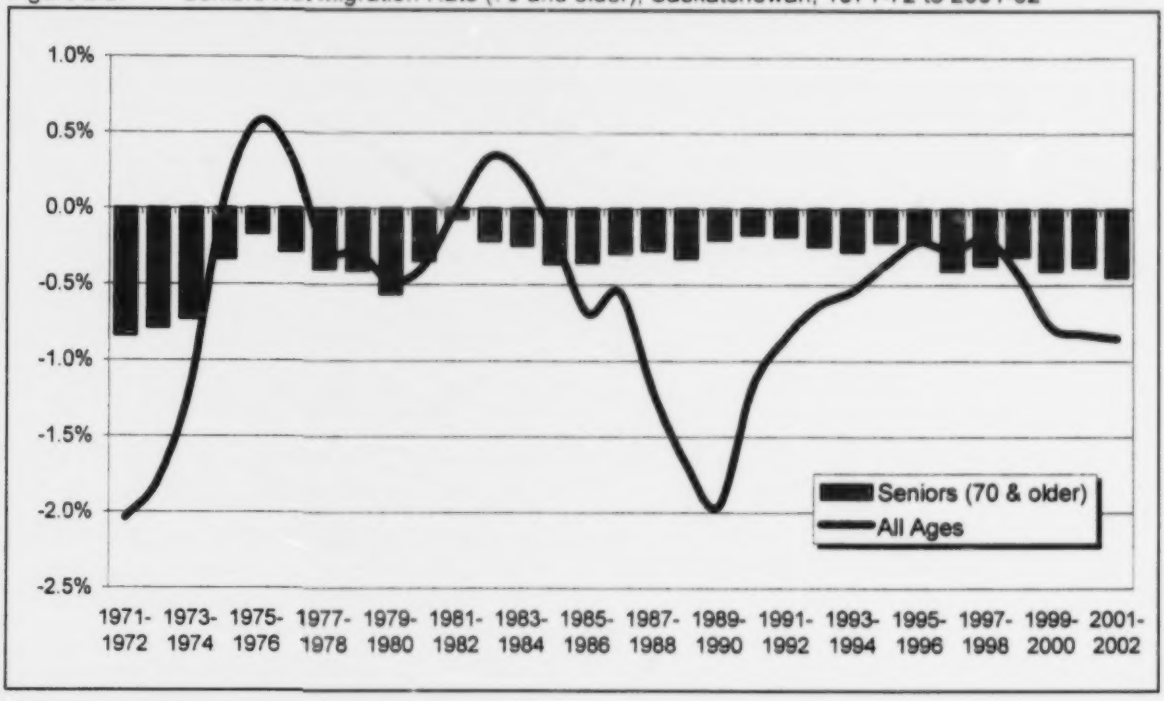


Figure 2.27 Seniors Net Migration Rate (70 and older), Saskatchewan, 1971-72 to 2001-02



Young people also add an intangible quality to an economy because they tend to be idealistic risk takers with an entrepreneurial vigour that is often missing from their more conservative parents. The question arises as to whether or not Saskatchewan youth are more or less likely to leave than those in other provinces.

To examine this question, we look at out-migration rates among youth for the provinces over the past three decades in three blocks. Figure 2.28 shows that in each period, out-migration rates among Saskatchewan youth were higher than in other provinces. (The Northern Territories have much higher rates near or above 10% per year.) Over the course of the three decades, the rate has tended to decline in each of the provinces except the Atlantic provinces. The lowest rates by far are those in Ontario and Quebec. So it is true that Saskatchewan youth are more likely than youth in other provinces to migrate to a different province.

The same is generally true for the adult group, those 30 to 54 years of age as Figure 2.29 shows. Out migration rates for this group are also low in Quebec and Ontario, and have declined over the thirty year period. Saskatchewan had the second highest rate in the 1970s (after Manitoba) and the second highest rate in the 1980s (after Alberta) and the highest rate in the 1990s.

Retirees show a much different pattern (see Figure 2.30) although the rates in Quebec and Ontario are still low. For this group, the highest overall rates are in Alberta with Saskatchewan second and Manitoba third. The gap among the prairie provinces has narrowed over the period but the order hasn't changed.

Amongst seniors, Saskatchewan has the highest out-migration rates except for the 1970s when Alberta had a higher rate.

Figure 2.28 Out Migration Rates Among Youth (15 to 29 years), Ten Year Averages

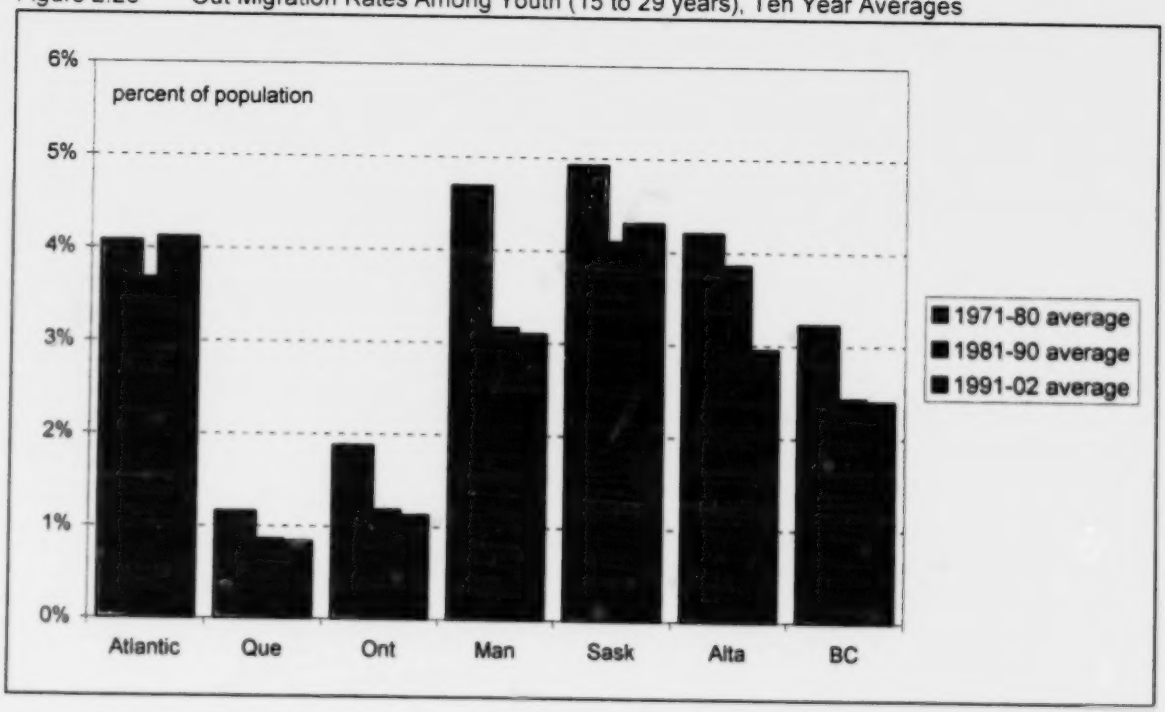


Figure 2.29 Out Migration Rates Among Adults (30 to 54 years), Ten Year Averages

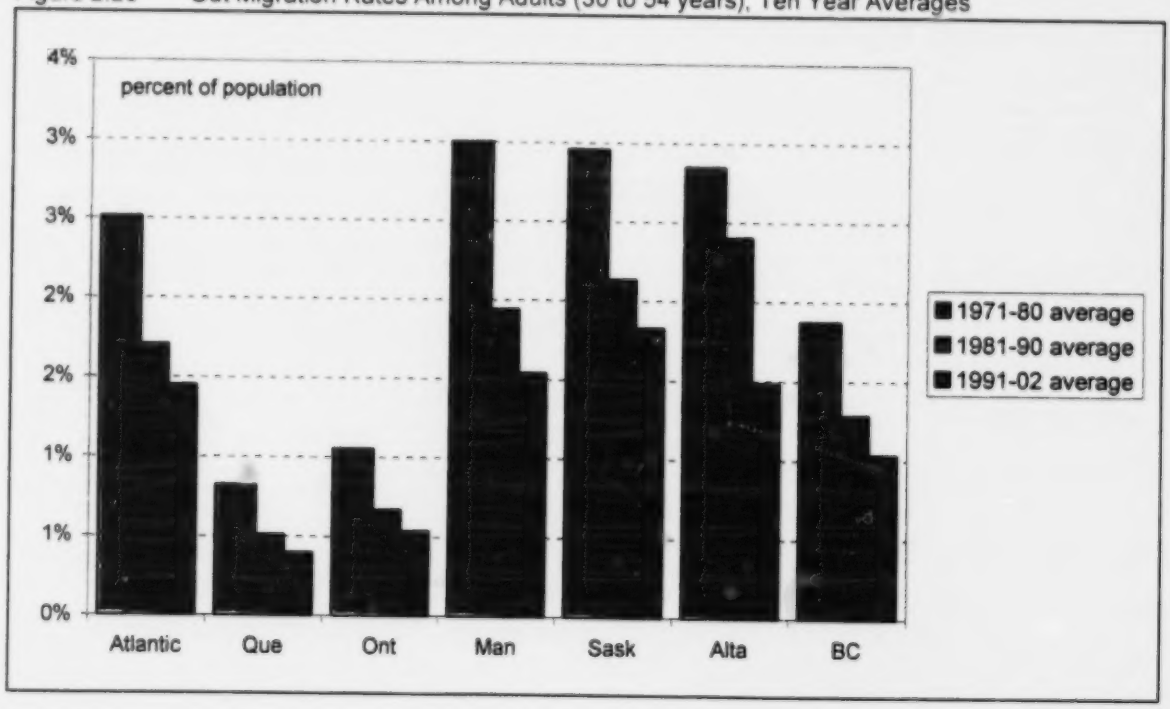


Figure 2.30 Out Migration Rates Among Retirees (550 to 69 years), Ten Year Averages

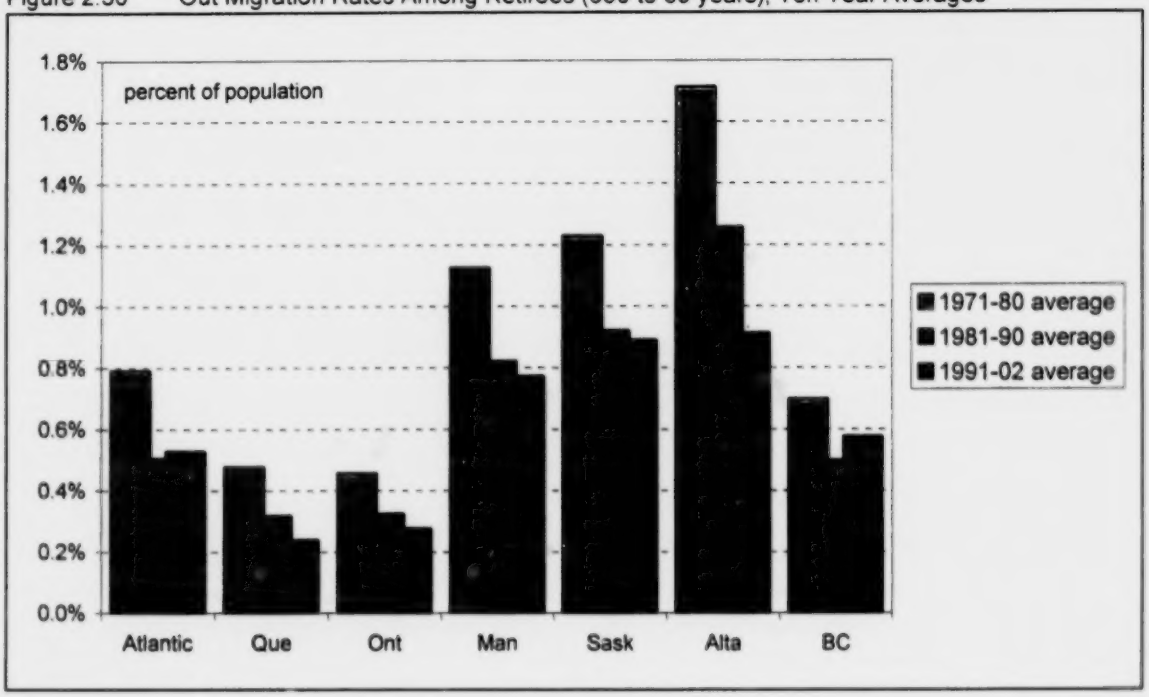
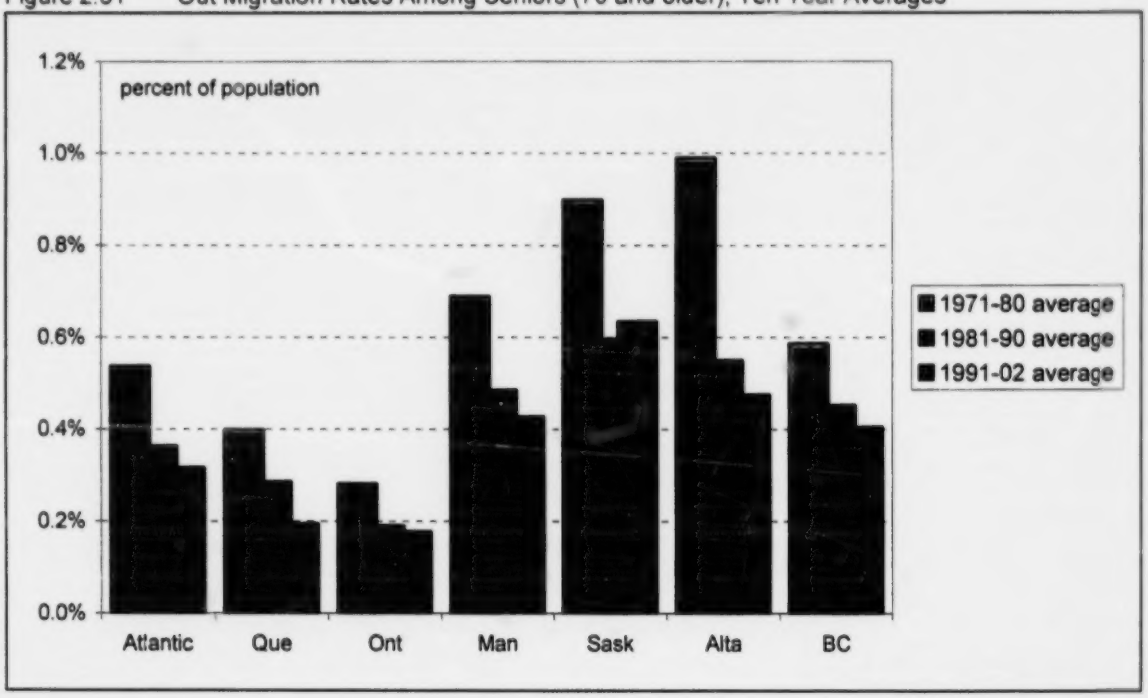


Figure 2.31 Out Migration Rates Among Seniors (70 and older), Ten Year Averages



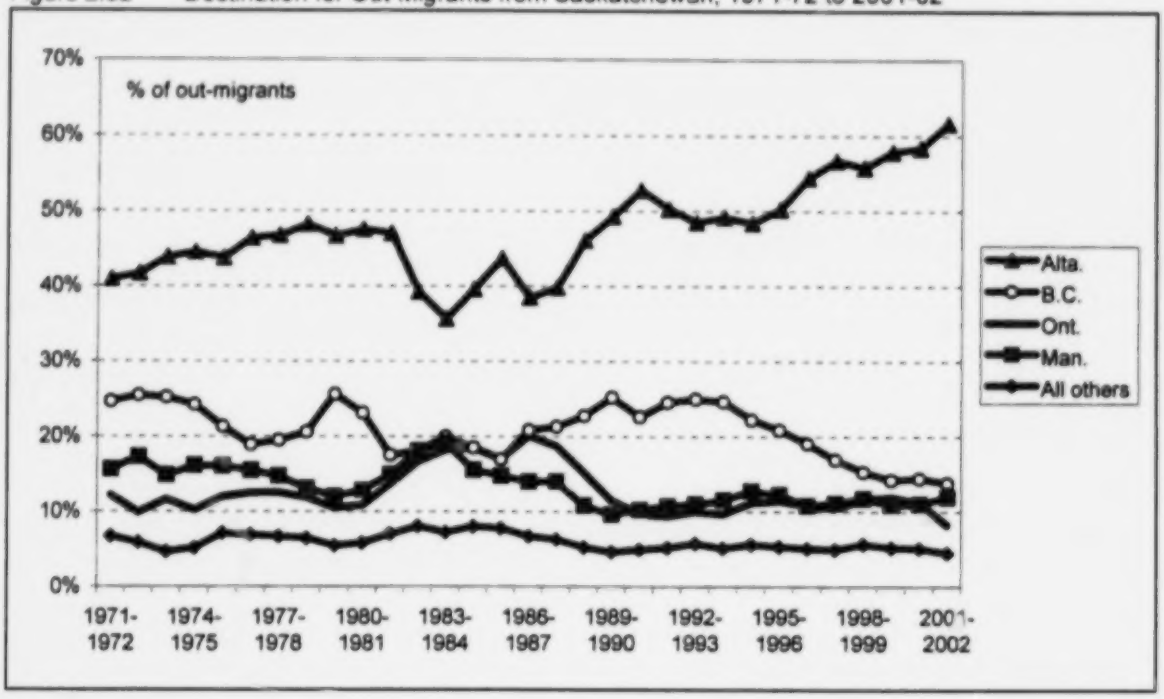
Origin/Destination of Migrants

Data on origin and destination of migrants comes from two different sources. The first is the basic counts by province of origin and destination which is derived, as with the other statistics in this section, from the *Annual Demographic Statistics* reports. That source does not have an age breakdown, however, so it is supplemented with information from the 2001 census. The census provides a five-year snapshot of net inter-provincial migration. That is, it will not capture people who leave the province and then return during the period from 1996 to 2001.

The conventional wisdom that Alberta is the destination of choice for Saskatchewan out-migrants is true. Alberta has always been the most common destination and Figure 2.32 shows that, except for a brief period in the 1980s, it has become steadily more popular over time. In the latter part of the 1990s, Alberta accounted for over one half of out-migrants, more than 60% from July 2001 to June 2002.

The second most common destination is B.C. although its popularity has declined in the past ten years to the point where Ontario and Manitoba are equally as popular. Quebec, the Atlantic Provinces, and the North account for approximately 5% of out-migrants and the proportion has been stable at that level for the past three decades.

Figure 2.32 Destination for Out-Migrants from Saskatchewan, 1971-72 to 2001-02



Looking at flows in the other direction, that is, at the province of origin for those moving to Saskatchewan, yields a remarkably similar picture. Almost one half of those moving to Saskatchewan come from Alberta. B.C. and Manitoba are the second and third most common origins, changing their rank from time to time. Ontario is typically the fourth most common province of origin. As with out-migration, the trend for in-migrants to come from Alberta is upward.

The inflow and outflow data can be combined to produce a net flow by origin and destination. Saskatchewan has a virtually zero net flow with the Northern Territories, the Atlantic Provinces, and Quebec. The other net flows are shown in Figure 2.34.

The net flows with Manitoba and Ontario are also close to zero although there was a positive flow into Saskatchewan from both provinces in the 1970s and a net flow out of the province in the late 1980s. Alberta and B.C. have, until recently, followed a similar pattern. In the 1990s, the net flow to/from B.C. has become near zero whereas the flow to Alberta has increased.

Origin/Destination by Age Group

In May 2001, there were 67,535 persons living in Canada but outside Saskatchewan who had been living in Saskatchewan at the time of the previous census in 1996. On an annual basis, this translates into a net outflow of approximately 13,000 persons per year.

Figure 2.33 Origin for Inter-provincial Migrants to Saskatchewan, 1971-72 to 2001-02

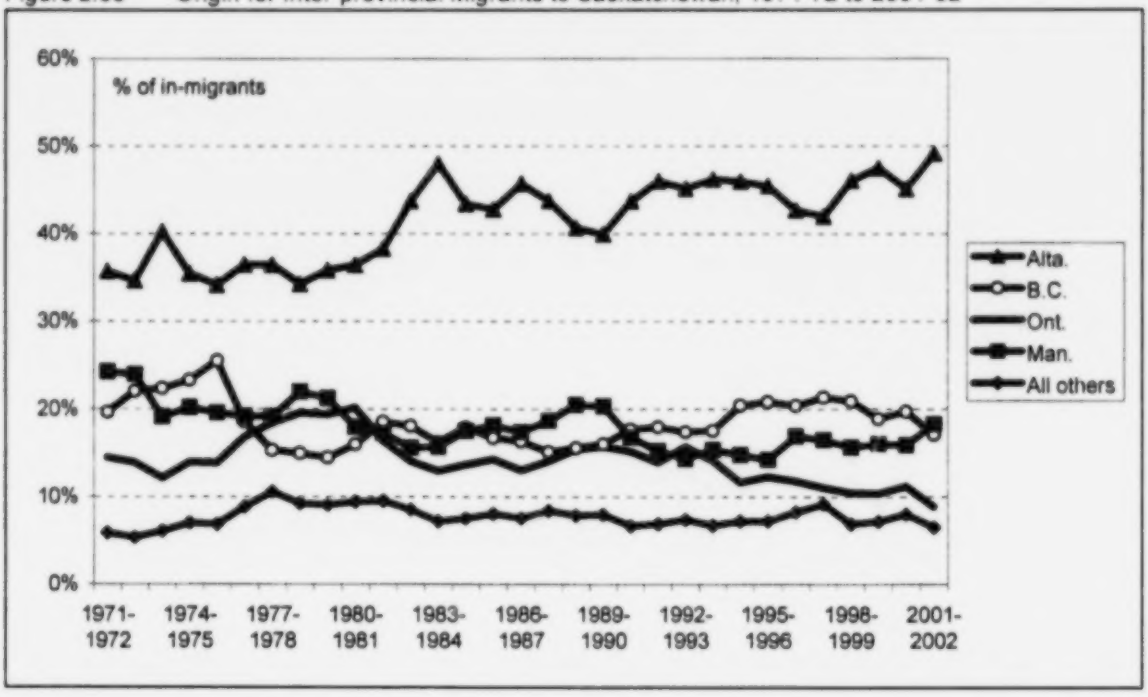
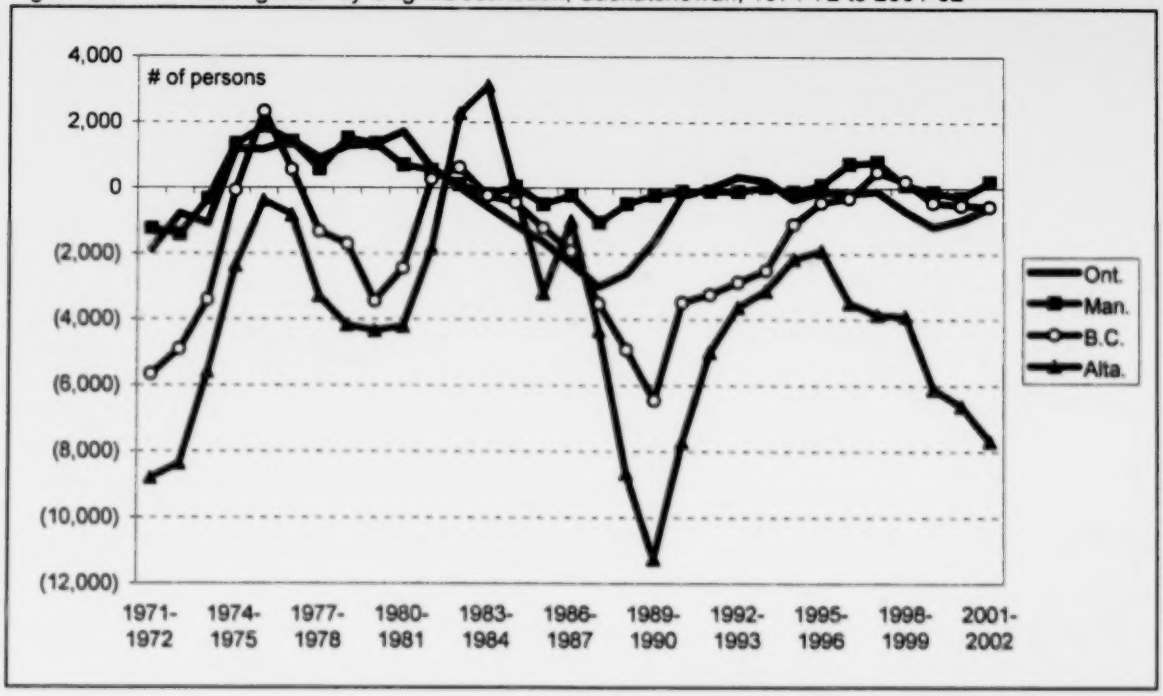


Figure 2.34 Net Migration by Origin/Destination, Saskatchewan, 1971-72 to 2001-02



The age (in 2001) of those who have left the province is shown in Figure 2.35 according to the province of their residence in 2001. Figure 2.36 shows the opposite figures, namely the age distribution of the 42,605 persons living in Saskatchewan in 2001 who were living in another province in 1996.

The figures show that the age distributions of both in-migrants to Saskatchewan and out-migrants from Saskatchewan are almost identical to the age distributions of inter-provincial migrants throughout Canada. In other words, Saskatchewan migrants are the same age, relatively speaking, as the average inter-provincial migrant. Nevertheless, there are some notable patterns by destination.

Persons leaving Saskatchewan to live in provinces other than the Atlantic provinces are concentrated in the 20 to 39 age groups. Out migrants to the Atlantic provinces tend to be in their late 30s or early 40s. Those leaving for the Atlantic provinces or (particularly) B.C. are more likely to be in the 55 to 69 age group than migrants to other locations.

In migrants to Saskatchewan from Alberta and the Atlantic provinces are concentrated among those 25 to 29 years of age and may represent people returning to Saskatchewan after receiving their post-secondary education in those provinces. In migrants from the North and Quebec tend to be in older age groups.

Figure 2.35 Age Distribution of Net Out-Migrants from Saskatchewan, 1996 to 2001

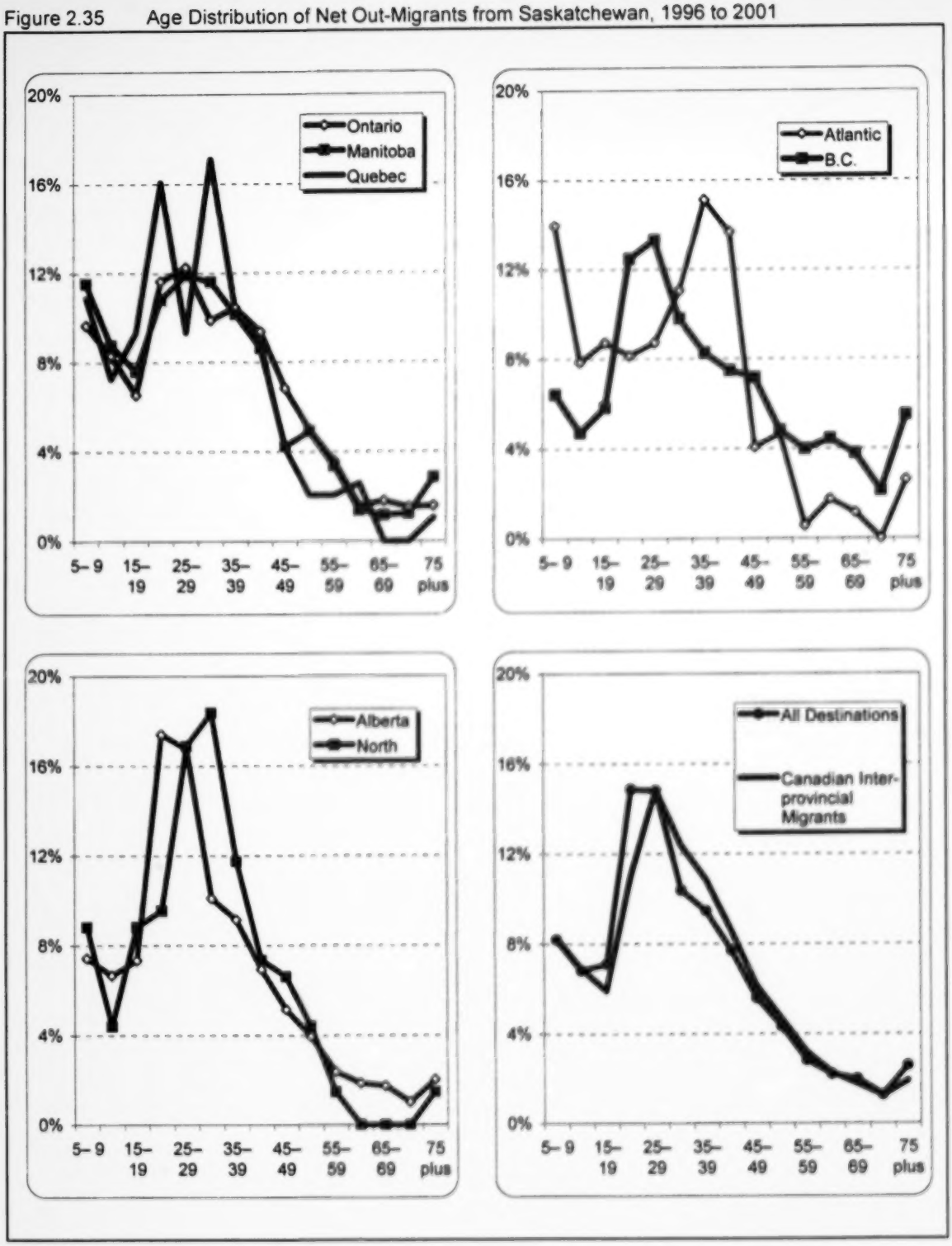
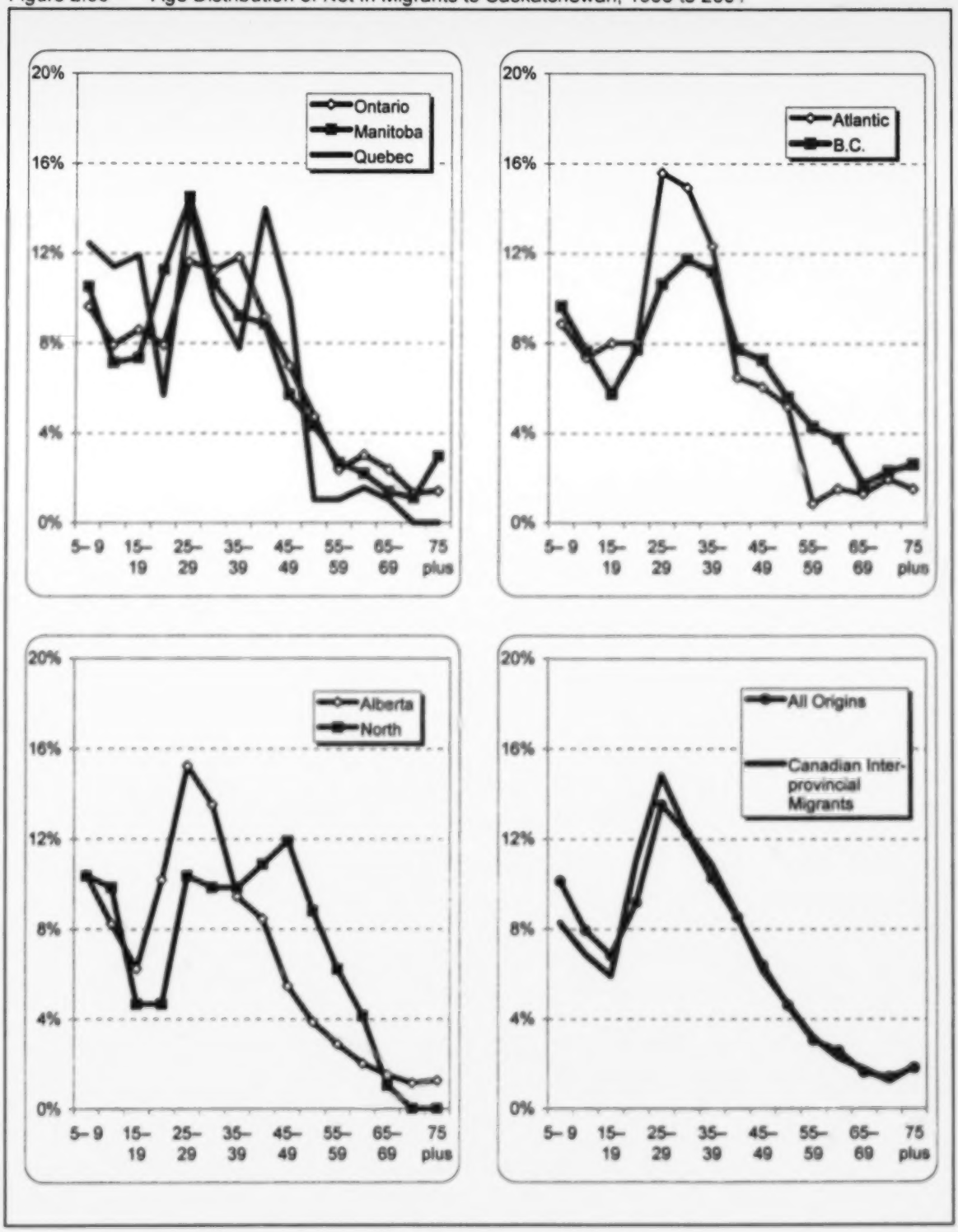


Figure 2.36 Age Distribution of Net In Migrants to Saskatchewan, 1996 to 2001



2.4 International Immigration

International immigration and emigration flows can be analyzed in the same way as inter-provincial migration flows. In practise, however, the number of people who immigrate to Saskatchewan is too small to justify that kind of detailed analysis. In the last five years, there has been less than 2,000 people per year coming to Saskatchewan. This compares with 15,000 to 20,000 people moving here from other provinces and 25,000 to 30,000 moving from Saskatchewan to another province. Except for a brief period in the late 1970s, immigration has not been a major factor in Saskatchewan's population profile.

We'll have more to say about immigration in the next section. Here, we simply document the number and age distribution of those moving to Saskatchewan from other provinces and, conversely, those who leave to live in another country.

Figure 2.37 shows that there was a spike in immigration in 1979 and 1980 with the arrival of immigrants from Vietnam. Since then, the inflow has declined to less than 2,000 people per year and has been offset in recent years by an increasing number of people emigrating from Saskatchewan.

Inter-provincial Comparison

As a percentage of the population, immigration adds 0.2% per year to the Saskatchewan population. This compares with the national average of 0.8%. Figure 2.38 shows that Saskatchewan, the Northern territories, and the Atlantic provinces have the lowest rates if immigration in Canada. Ontario and B.C. have the highest.

Table 2.5 Inter-provincial Migration, Saskatchewan

July to June:	Immi-gration	Emi-gration	Net
1971-1972	1,479	457	1,022
1972-1973	1,555	474	1,081
1973-1974	2,194	816	1,378
1974-1975	2,514	699	1,815
1975-1976	2,604	521	2,083
1976-1977	2,380	439	1,941
1977-1978	1,906	556	1,350
1978-1979	1,673	544	1,129
1979-1980	3,687	357	3,330
1980-1981	2,931	315	2,616
1981-1982	2,346	563	1,783
1982-1983	1,904	599	1,305
1983-1984	1,855	674	1,181
1984-1985	2,086	651	1,435
1985-1986	1,919	676	1,243
1986-1987	2,133	272	1,861
1987-1988	2,000	539	1,461
1988-1989	2,240	482	1,758
1989-1990	2,189	485	1,704
1990-1991	2,268	346	1,922
1991-1992	2,518	445	2,073
1992-1993	2,561	486	2,075
1993-1994	2,281	504	1,777
1994-1995	2,182	541	1,641
1995-1996	1,810	520	1,290
1996-1997	1,779	774	1,005
1997-1998	1,614	917	697
1998-1999	1,756	979	777
1999-2000	1,670	1,049	621
2000-2001	1,842	1,124	718
2001-2002	1,814	1,202	612

Figure 2.37 International Immigration and Emigration to/from Saskatchewan, 1971-72 to 2001-02

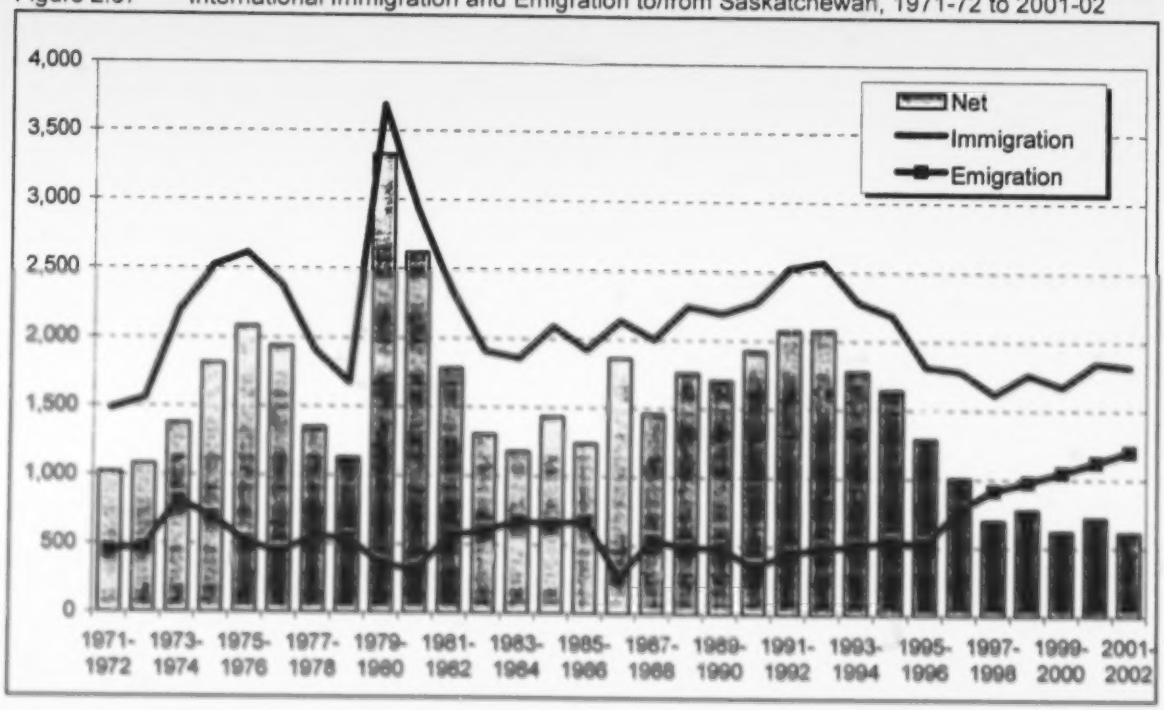
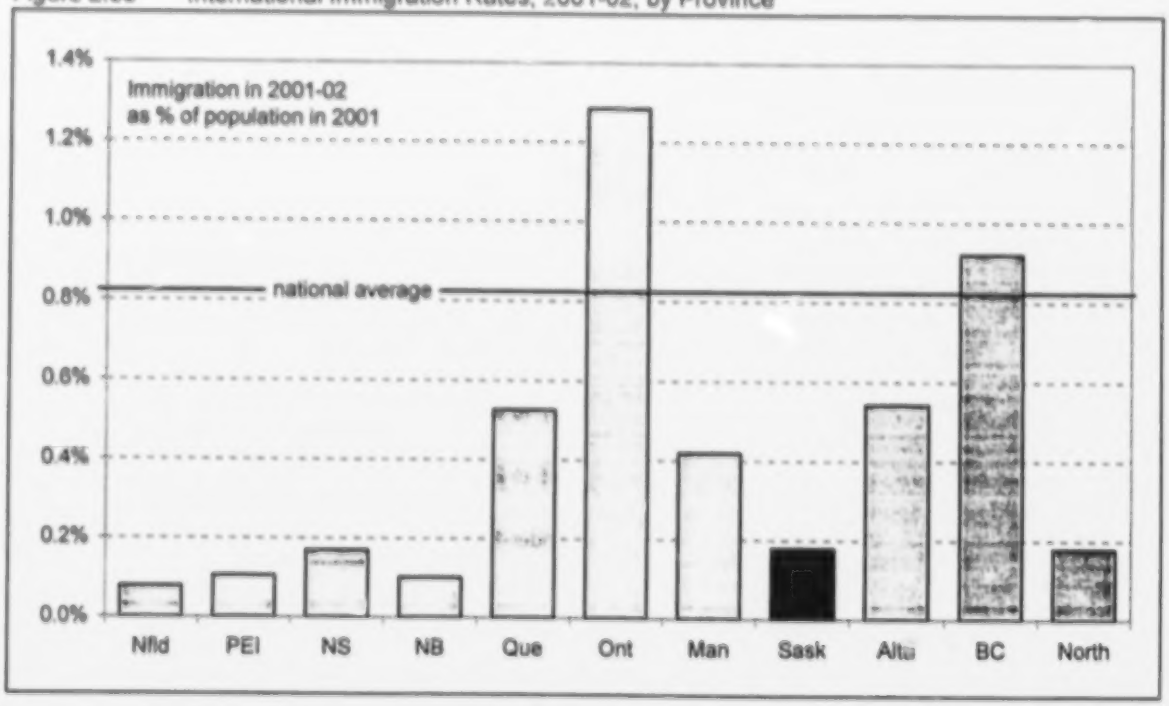


Figure 2.38 International Immigration Rates, 2001-02, by Province



Looked at another way, Ontario and B.C. have half of Canada's population but attract three quarters of the immigrants.

Immigrants tend to have a different age distribution from those who live in the province. Figure 2.39 shows that the addition of immigrants to the population adds young adults (25 to 34 years of age) and children to the population.

Emigrants also tend to be young adults but the lack of children is evident in the age profile of those who leave the province for other countries (see Figure 2.40). Apparently young couples with children are not as likely to emigrate as those who are unattached or without children.

Figure 2.39 Age Distribution of Saskatchewan Residents in 2001 Compared with Immigrants Moving to Saskatchewan in 2001-02

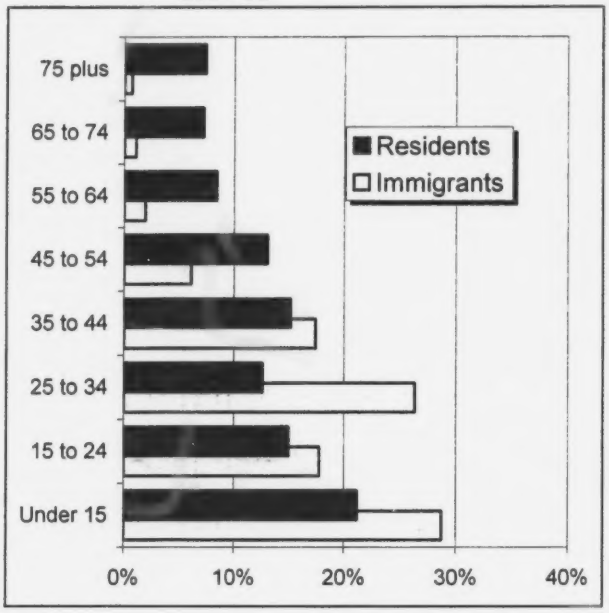
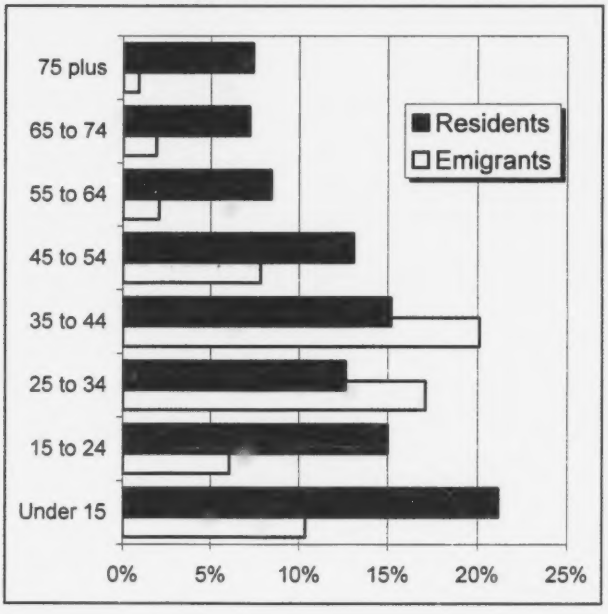


Figure 2.40 Age Distribution of Saskatchewan Residents in 2001 Compared with Emigrants from Saskatchewan in 2001-02



2.5 Summary

The findings in this section are summarized below in point form.

- Saskatchewan's population has been effectively at or near one million people for the past twenty years. Except for Newfoundland, other provinces are growing more quickly.

- The "baby boom" generation is still the dominant feature of the province's age structure. Compared with other provinces, Saskatchewan has a high proportion of older seniors and a high proportion of children and youth.

- Although Saskatchewan's fertility rate is one of the highest in Canada, the number of births is declining. The number of deaths is increasing so the "natural" growth rate is declining. Much of the population growth in Alberta is a result of the higher natural growth rate there.

- Inter-provincial migration has resulted in a net loss of population in 25 out of the last 31 years and is the basic reason why the population hasn't grown. The loss of population because of migration is also an issue in several other provinces including Newfoundland, Quebec, and more recently, B.C.

- In terms of their age structure, Saskatchewan's inter-provincial in-migrants and out-migrants are similar to those in other provinces – many are youth. Overall trends in inter-provincial migration are mirrored in each of the age groups. Saskatchewan has one of the highest rates of youth out-migration in Canada.

- Alberta is the destination for an ever-increasing proportion of out-migrants from Saskatchewan, accounting for 60% in the most recent year. It is also the single largest source for in-migrants, accounting for 50% in the most recent year.

- In migrants from the Atlantic provinces and Alberta tend to be in their late twenties and early thirties. Out migrants to Alberta, B.C. and the North tend to be in their twenties.

- Saskatchewan attracts very few international migrants; those who come tend to be younger than the province's current residents.

3.0 Demographic and Socioeconomic Characteristics of the Immigrant Population

The population of immigrants in Saskatchewan, particularly recent immigrants, is obviously of interest in any demographic study of the province. Section 2.4 showed that the province has one of the lowest immigration rates in Canada and there is also a sense that many immigrants to Saskatchewan do not take up permanent residence.

In this section we examine the socio-economic characteristics of the immigrant population living in Saskatchewan. These data are from the 2001 and previous census; they consider all persons who were born outside Canada (excluding children born by Canadian citizens temporarily out of the country) and who are landed immigrants living in Canada. That is, we are excluding foreign residents temporarily living in Canada under work or student permits, Ministerial permits, etc.

Before we begin however, it is instructive to look at the retention rate for immigrants in Saskatchewan because there is an important distinction to be made between people who first move to the province from other countries and the immigrants who currently make Saskatchewan their home.

According to Statistics Canada "Report on the Demographic Situation in Canada", Saskatchewan had 20,113 persons immigrate to the province over the ten years from July 1991 to June 2001. There are no statistics available to track what happens to this group of individuals but the census sheds some light on how many have remained in the province.

Some of these people will have moved to other provinces or countries and immigrants from other provinces will have moved to Saskatchewan. In June 2001, the census found 11,365 persons living in Saskatchewan who had immigrated to Canada since 1991.

In other words, the net retention rate for immigrants to Saskatchewan is 57% (see Table 3.1). This is noticeably lower than the

Table 3.1 Immigrant Retention Rate During the 1990s

Province	Immigrants from July 1991 to June 2001	Current residents who immigrated to Canada from 1991 to 2001	Apparent net retention rate
Nfld.	5,576	2,015	36%
P.E.I.	1,559	790	51%
N.S.	25,737	10,290	40%
N.B.	7,088	4,400	62%
Que.	340,385	244,905	72%
Ont.	1,212,646	1,022,370	84%
Man.	41,640	32,350	78%
Sask.	20,013	11,365	57%
Alta.	150,669	129,920	86%
B.C.	422,155	370,615	88%
North	1,945	1,660	85%
Canada	2,229,413	1,830,680	82%

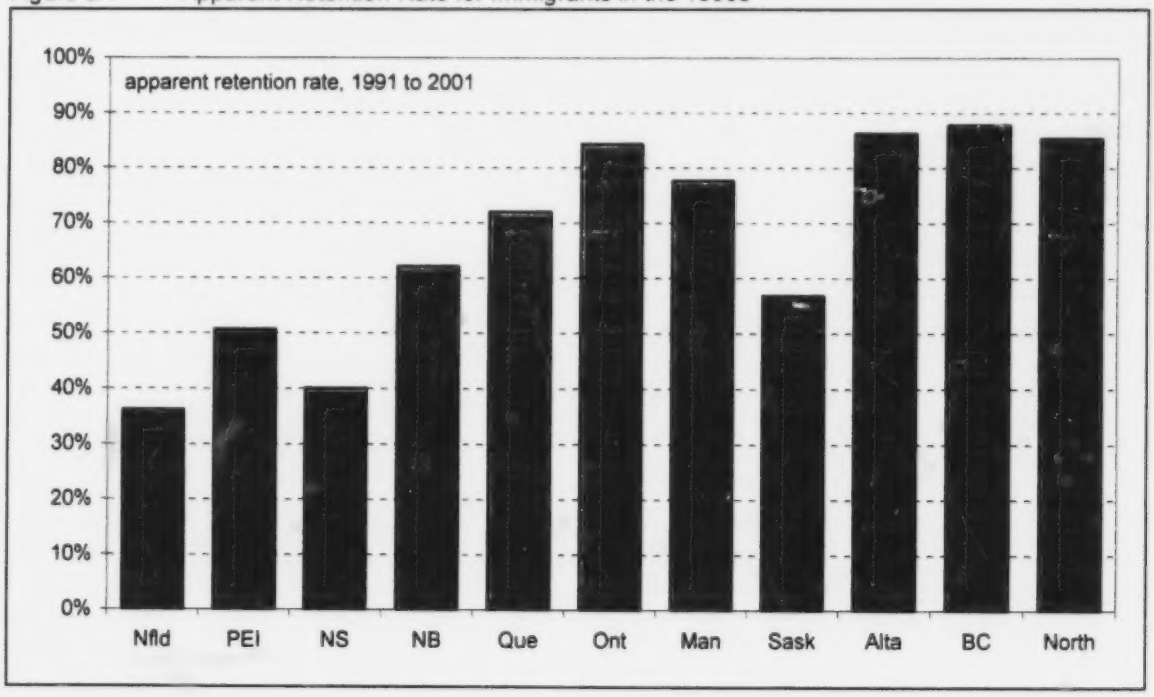
75% to 90% in most provinces and the national average of 82%[5] (see Figure 3.1).

The highest retention rates are among provinces with the highest proportions of immigrants, namely Ontario and British Columbia, although New Brunswick is a notable exception.

For whatever reason, it is clear that Saskatchewan is not retaining the relatively few people who choose to immigrate to the province. If the national average of 82% is the "norm", then provinces that have a lower retention rate such as the Atlantic provinces and Saskatchewan are contributing to those that have a higher rate such as Alberta and British Columbia.

The analysis in the balance of this section may shed some light on why people choose to leave the province.

Figure 3.1 Apparent Retention Rate for Immigrants in the 1990s



5 *The relatively low retention rate for Canada may be the result of a variety of factors including under-coverage and under-reporting in the census, the possibility of higher emigration rates among recent immigrants, and deaths.*

3.1 Saskatchewan's Immigrant Population

We are truly a province of immigrants. Just after the province was formed, the immigrant population according to the census in 1911 was almost as large as the non-immigrant population. Figure 3.2 shows how the proportion of immigrants declined rapidly to 21% in 1951 and to below 10% since 1981. Immigrants currently make up 5% of the provincial population.

In Canada as a whole, immigration also slowed during the 1930s and 1940s but it has been increasing steadily from the 1951 low of 15% to the current level of 18%.

In 2001, the Atlantic provinces had a relatively small population of immigrants ranging from a low of 1.6% in Newfoundland to a high of 4.6% in Nova Scotia. At 5%, Saskatchewan has the next lowest rate in the country, well below the 27% in Ontario and the 26% in British Columbia (see Figure 3.3).

The period of immigration for current immigrants shows why the proportion is so low in Saskatchewan. Among the current 48,000 immigrants in Saskatchewan, 44% have lived in Canada for more than 30 years (see Figure 3.4) and only one in four (24%) has immigrated in the last decade. In Canada as a whole, 30% of immigrants have lived in Canada for 30 years or more and 34% have immigrated since 1991.

Figure 3.2 Immigrant Population as Percentage of Total Population, Canada and Saskatchewan, 1911 to 2001

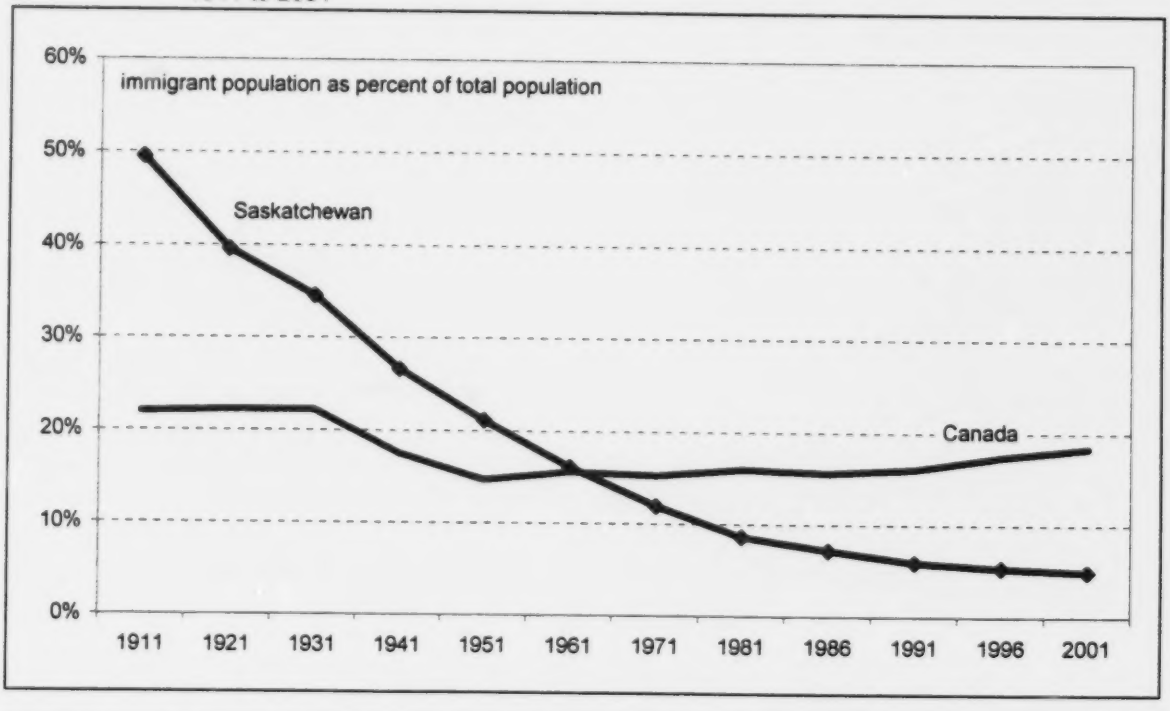
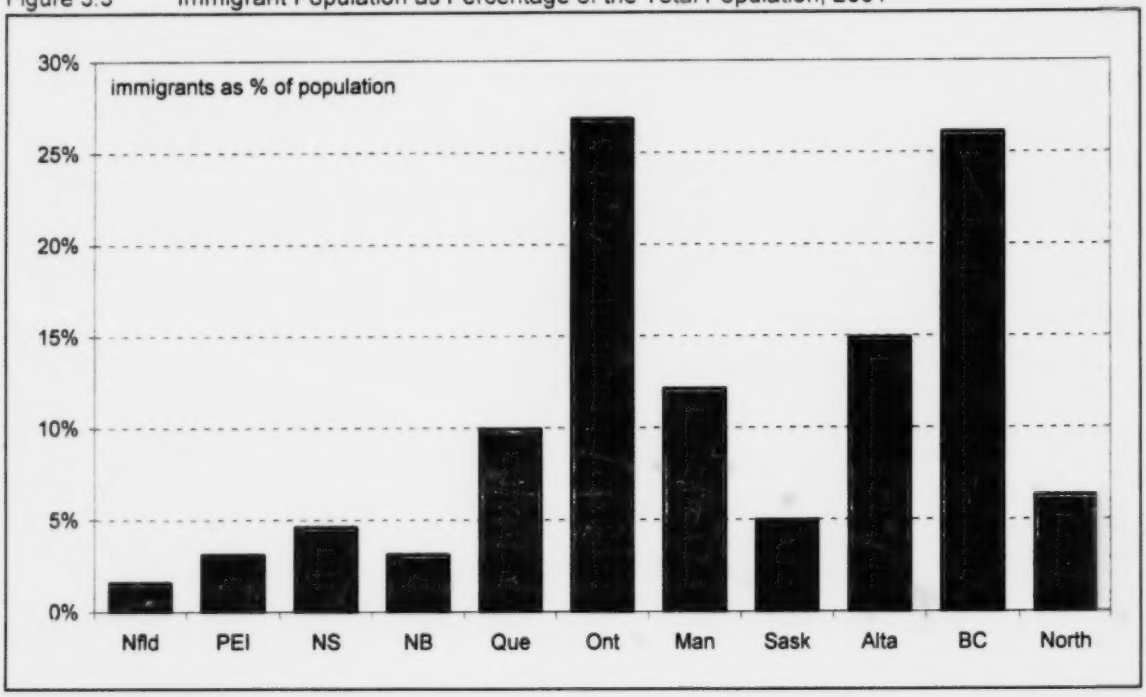


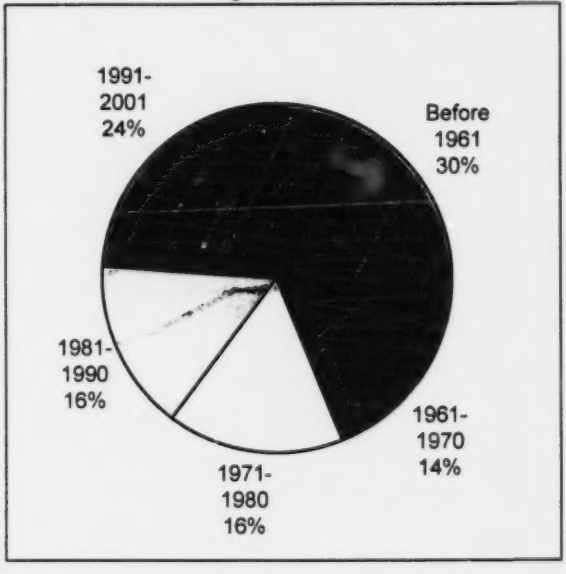
Figure 3.3 Immigrant Population as Percentage of the Total Population, 2001



The period of immigration is used as the basis for analysis in the balance of this section. The immigrant population is divided into three groups:

- the 30% who migrated to Canada before 1961 and who will be, therefore, at least 40 years of age (in fact three quarters are seniors);
- the 30% who migrated from 1961 to 1980 and who will be at least 20 years of age; and
- the 40% who could be considered as "recent immigrants in that they migrated to Canada after 1980.

Figure 3.4 Period of Immigration to Canada for Saskatchewan's Current Immigrant Population, 2001



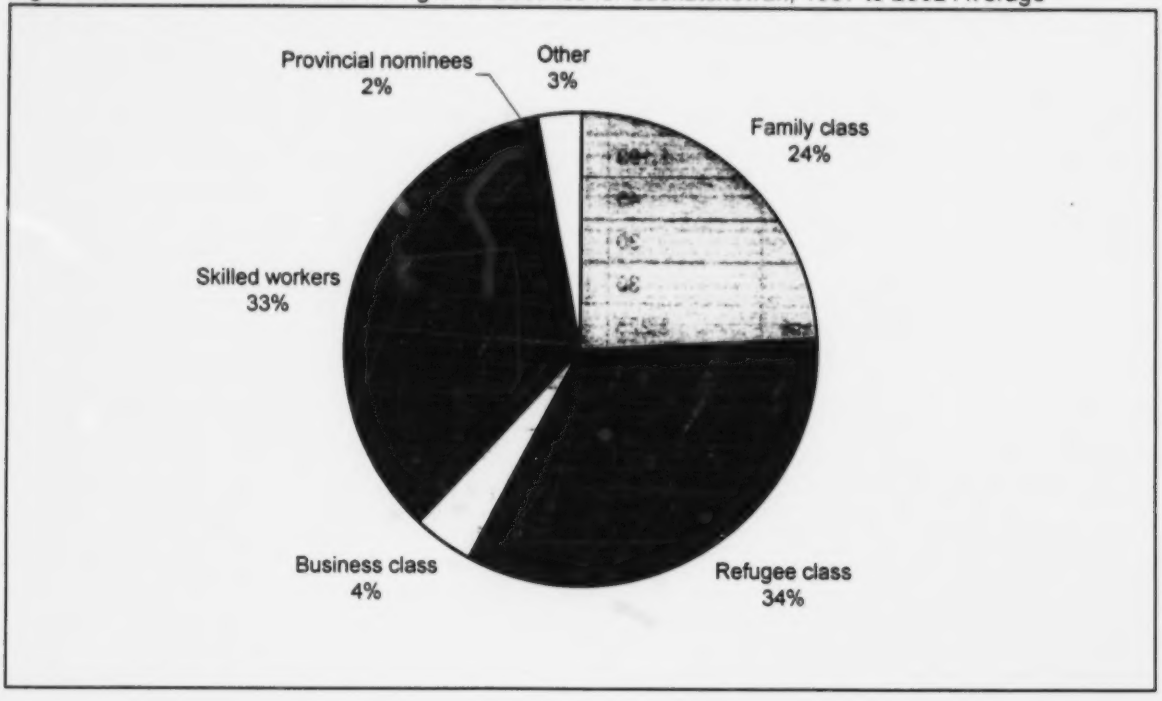
Before we look at the current population of immigrants in Saskatchewan, it is instructive to look at the classification of immigrants used by Citizen and Immigration Canada when admitting immigrants and refugees to Canada. These figures record the class of immigrants originally destined for Saskatchewan during

the five calendar years from 1997 to 2002[6]. They will differ from the number and class of immigrants who lived in Saskatchewan at the time of the 2001 census.

The average number of immigrants over the five years was 1,711. The largest three categories – refugees, skilled workers, and family class – account for 91% of immigrants to Saskatchewan. The remaining 9% are in the business class, provincial nominees, or "other" categories. Except for the recent provincial nominees program, the proportions have been relatively constant over the five years.

In the statistics that follow, no distinction is made between these classes of immigrants. This is notable because other research has shown that socioeconomic status, mobility, and family characteristics will differ across the various groups. The group of immigrants currently living in Saskatchewan will be a blend of those who originally moved to the province under one of these classes and who remain living here and those who originally settled in a different province, again under one of these classes, and subsequently moved to Saskatchewan.

Figure 3.5 Classification of Immigrants Destined for Saskatchewan, 1997 to 2002 Average



6 *Source: Facts and Figures, Citizenship and Immigration Canada*

3.2 Country of Origin

This section examines the country of origin for immigrants currently living in Saskatchewan. The "average" immigrant to Saskatchewan in the 1990s comes from a different part of the world than those who came to Canada in the 1970s and 1980s or even earlier.

Table 3.2 shows a relatively steady flow of immigrants from the USA although the number in the 1970s was somewhat higher because of immigrants fleeing the USA draft for the war in Vietnam. Immigrants from other countries in the western hemisphere tend to come in peaks – Trinidad in the 1960s, Jamaica and Chile in the 1970s, and El Salvador in the 1980s. The 1990s have seen a wider variety of countries of origin but the overall total from these countries remains small at 5% of total immigrants.

Europe dominated immigration before 1961, accounting for 87% of immigrants in that period. Over time, the number declined to 28% and the countries of origin switched from Western and Northern Europe to Southern Europe including the former Yugoslavia which accounted for 9% of

Table 3.2 Country of Origin for Immigrants Living in Saskatchewan in 2001

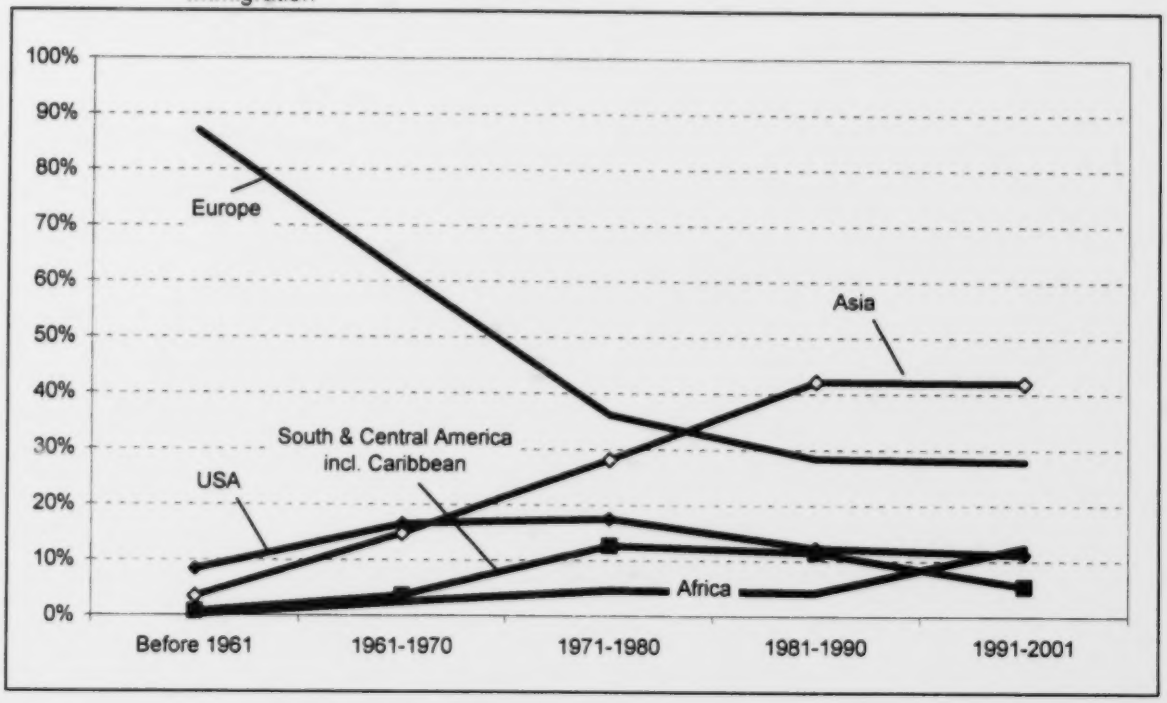
Country of origin		Period of Immigration to Canada				
		Before 1961	1961-1970	1971-1980	1981-1990	1991-2001
USA		1,190	1,110	1,370	930	1,270
Central America		45	25	30	515	315
Caribbean		30	155	280	135	90
South America		30	65	680	220	215
Europe	Western incl. Germany	3,225	685	570	490	380
	Eastern	4,410	390	195	730	780
	Northern incl. UK	4,060	2,240	1,725	795	860
	Southern	765	790	340	135	1,145
	Europe total	12,460	4,105	2,830	2,150	3,165
Africa		30	170	365	325	1,415
Asia	West Central incl. Middle East	25	55	65	310	765
	Eastern incl. China	415	495	525	875	1,835
	Southeast	45	180	1,235	1,610	1,530
	Southern incl. India	10	265	380	400	635
	Asia total	495	995	2,205	3,195	4,765
Australia and Oceania		15	75	70	80	135
All countries		14,325	6,725	7,835	7,570	11,365

immigrants during the 1990s.

Over the course of the last two generations, immigration from Africa, while still relatively small has increased significantly as has immigration from Asia, particularly Southeast Asia and the Middle East. In the 1990s, 42% of immigrants living in Saskatchewan came from Asia including 13% from China and Hong Kong.

What is clear from Figure 3.6 is that recent immigrants come from a broader variety of countries than immigrants in the 1960s and 1970s. It's also clear that recent immigrants are more visible in the sense of skin colour than their predecessors from Western and Northern Europe.

Figure 3.6 Country of Origin for Immigrants Living in Saskatchewan in 2001, by Period of Immigration

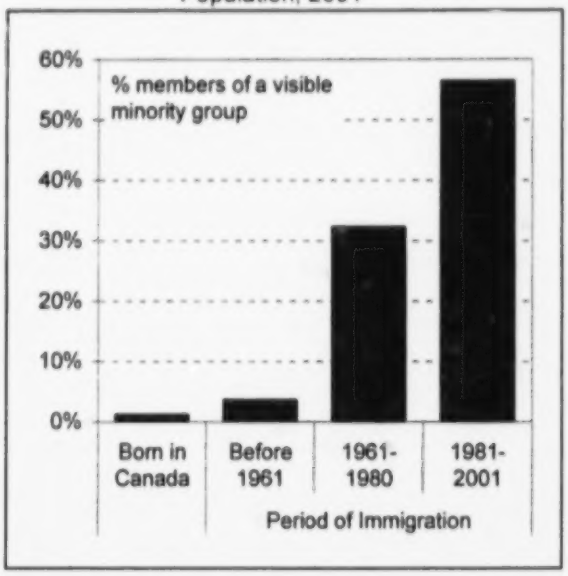


Visible Minorities

Statistics Canada uses the employment equity definition of "visible minority" in the question on the census. Visible minorities are persons (other than Aboriginal persons) who are non-Caucasian in race or non-white in colour.

In 2001, 3.7% of the Saskatchewan population was a member of visible minority group but Figure 3.7 shows that among recent immigrants, the proportion is over 50%. Looked at another way, four out of ten members of a visible minority group are recent immigrants and six out of ten are immigrants.

Figure 3.7 Membership in a Visible Minority Group as Percentage of Population, 2001



3.3 Age and Gender

Immigrants, particularly those who have come to Canada recently, are much younger than the non-immigrant population. They are also more likely to be women than men. This is natural for older migrants because women have a longer life expectancy than men but it is also true among recent immigrants among whom 52% are women.

As Table 3.3 and Figure 3.8 show, recent immigrants are concentrated in the age groups that are the least common in the non-immigrant population, namely those in the labour force age group. Among those who have moved to Canada since 1980, 63% are 20 to 49 years of age. This compares with 41% of non-immigrants living in Saskatchewan.

Table 3.3 Gender and Age of Immigrants Living in Saskatchewan in 2001

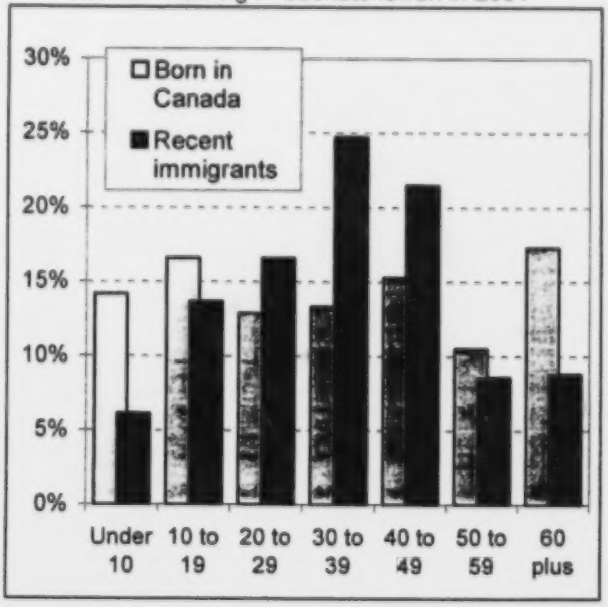
	Born in Canada	Period of Immigration		
		Before 1961	1961-1980	1981-2001
Total	912,220	14,325	14,560	18,940
Male	450,875	6,800	6,725	9,000
Female	461,350	7,525	7,830	9,940
Under 10	129,240	0	0	1,160
10 to 19	151,475	0	0	2,590
20 to 29	117,340	0	685	3,140
30 to 39	121,435	0	1,790	4,690
40 to 49	139,345	765	2,940	4,070
50 to 59	95,660	1,835	4,570	1,625
60 plus	157,740	11,730	4,570	1,665

Immigrants tend to come to Canada when they are young. This is as much a function of Canada's immigration policy as any tendency for younger people to be immigrants. Among recent immigrants, 33% were under 20 when they first came to Canada.

The proportion of the population that is in the prime labour force age group, that is, 20 to 59 years of age is:

- 52% among those born in Canada;
- 18% among those who immigrated to Canada before 1961;
- 69% among those who immigrated to Canada from 1961 to 1980; and
- 71% among those who immigrated to Canada after 1980.

Figure 3.8 Age Distribution of Recent Immigrants Living in Saskatchewan in 2001



3.4 Mobility

Recent immigrants, perhaps because they are younger, tend to be more mobile than non-immigrants. Table 3.4 shows that in 2001, only 36% were in the same dwelling that they were in 1996. This compares with 62% of non-immigrants and 80% of the (older) immigrants who came to Canada before 1961.

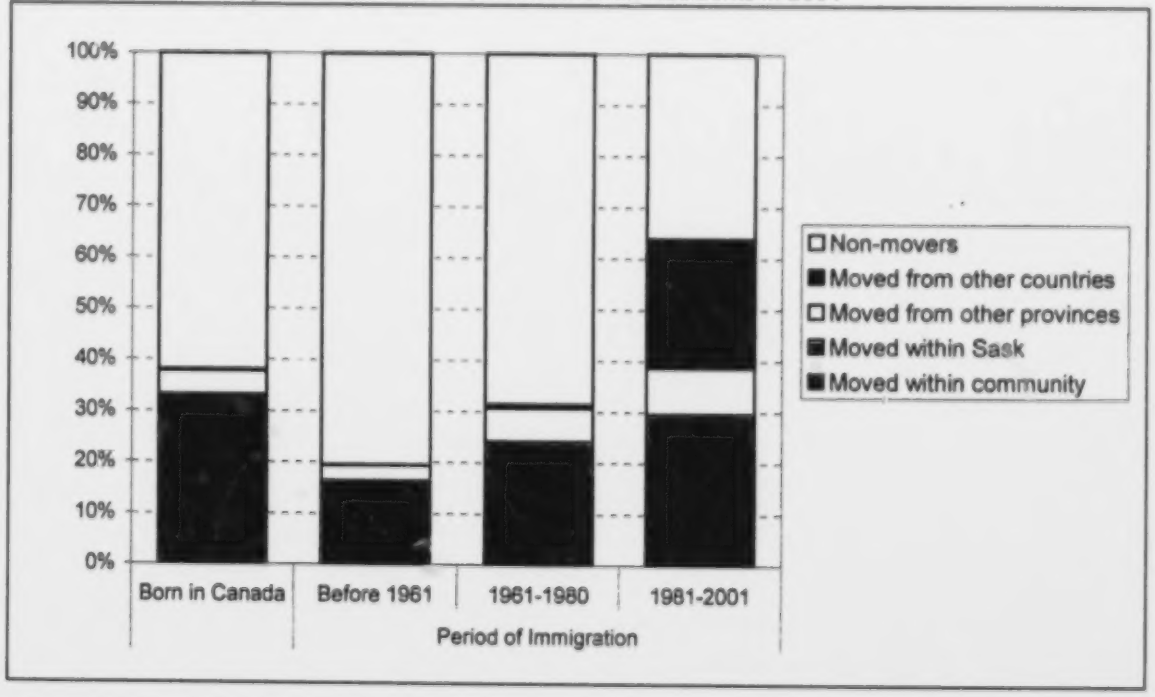
Recent immigrants are less likely than non-immigrants to move within Saskatchewan (5% compared with 12%) and more likely than non-immigrants to have moved to Saskatchewan from another province during that five year period.

Table 3.4 Mobility from 1996 to 2001, Saskatchewan Residents in 2001

	Born in Canada	Period of Immigration		
		Before 1961	1961-1980	1981-2001
Non-movers	62%	80%	69%	36%
Moved within community	21%	11%	17%	24%
Moved within Saskatchewan	12%	6%	7%	5%
Moved from other provinces	5%	3%	6%	9%
Moved from other countries	0%	0%	1%	25%

In contrast, those who moved to Canada in the 1961 to 1980 period are less mobile than non-migrants.

Figure 3.9 Mobility from 1996 to 2001, Saskatchewan Residents in 2001



3.5 Language and Religion

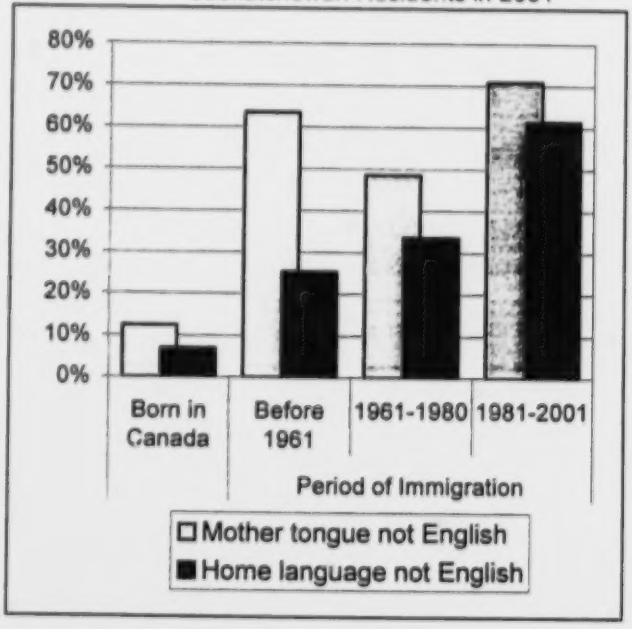
Statistics Canada measures language using three different concepts. The "mother tongue" is the language first learned at home and still understood. The "home language" is the language most often spoken at home and is typically the language people are the most comfortable using. Regardless of the mother tongue or home language, language knowledge questions measure the ability to carry on a conversation in a language. English is the most common language in Saskatchewan of course and Table 3.5 shows the proportions of the population that can understand or speak a language other than English.

Table 3.5 Language Characteristics of Saskatchewan Residents in 2001

	Born in Canada	Period of Immigration		
		Before 1961	1961-1980	1981-2001
Mother tongue is not English	12%	64%	49%	71%
Home language not English	7%	25%	34%	61%
Cannot speak English	0%	1%	2%	5%

The mother tongue is not English for the majority of immigrants – 71% of those who moved to Canada in the last two decades compared with 49% among those who immigrated from 1961-1980. For 61%, the home language is not English either although the figures show that, over time, English starts to dominate as the home language. Fully 95% of recent immigrants can understand English.

Figure 3.10 Language Knowledge and Use, Saskatchewan Residents in 2001



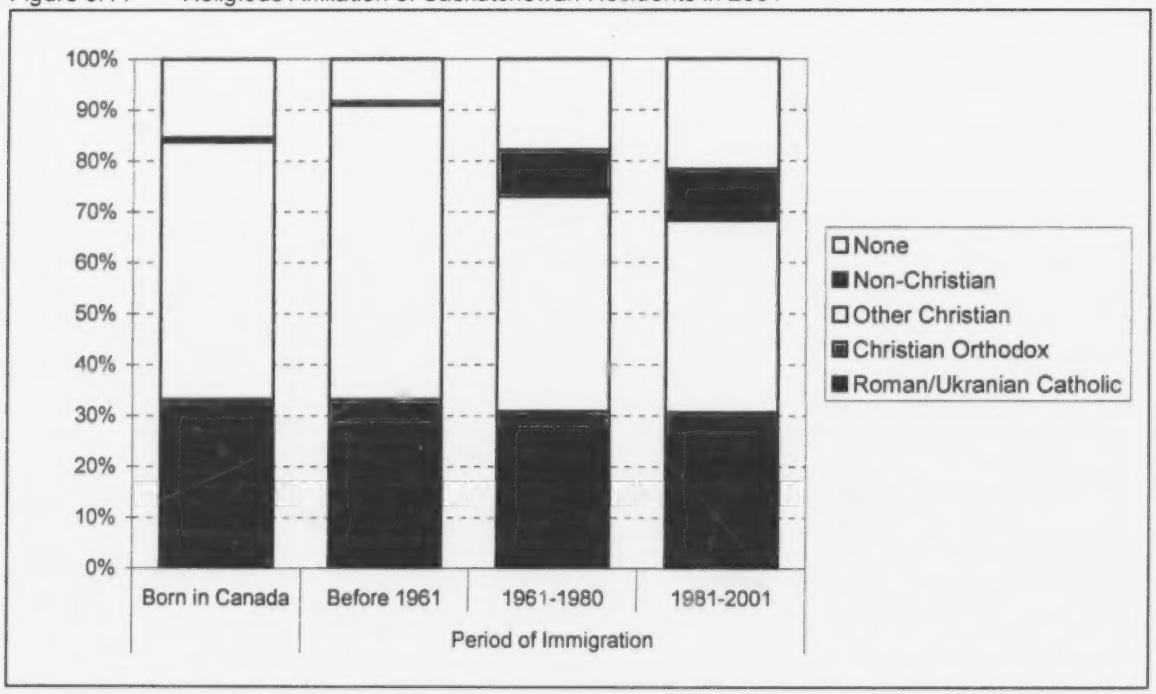
Knowledge of other languages means that many recent immigrants have the ability to speak in a language other than English. One in ten, for example, can speak Chinese; 7% can speak Spanish, and 7% can speak Pilipino. German, Vietnamese, and Arabic are each spoken by 5% of recent immigrants.

Religious Affiliation

Compared with non-immigrants, recent immigrants are more likely to say that they have no religion and more likely to report a

non-Christian religion (see Figure 3.11)[7]. In spite of this, more than two thirds of recent immigrants reported one of the Christian denominations as their religion.

Figure 3.11 Religious Affiliation of Saskatchewan Residents in 2001



7 *The census question on religion measures only affiliation. There is no suggestion that the respondent has to practise their stated religion on a regular basis.*

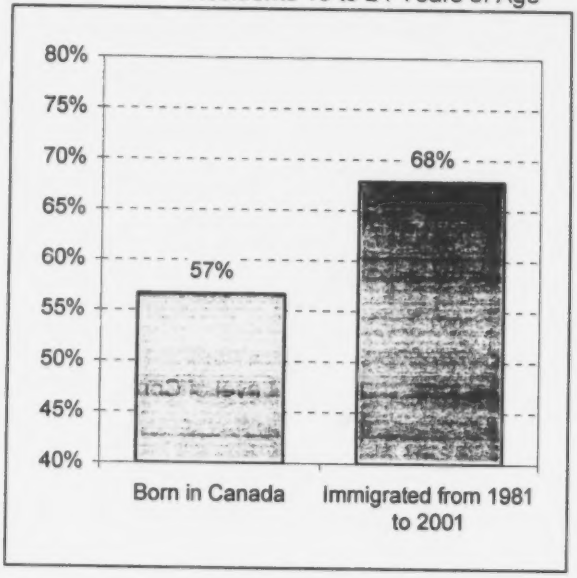
3.6 Educational Activity and Attainment

The census asks respondents to report on their highest level of education, their major field of study, and their school attendance in the academic year prior to the census, that is, from September 2000 to May 2001 for the 2001 census.

School Attendance

The school attendance figures in Figure 3.12 measure any kind of attendance – full-time or part-time, in grade school, technical institutes or universities. Among those in the 15 to 24 age group, school attendance in the previous eight months was higher among immigrants than among non-immigrants. Among recent immigrants 68% of those 15 to 24 years of age were going to school compared with 57% of non-immigrants. (There are virtually no immigrants in that age group who immigrated prior to 1980.)

Figure 3.12 Full or Part Time School Attendance in the 2000-01 Academic Year, Saskatchewan Residents 15 to 24 Years of Age



Educational Attainment

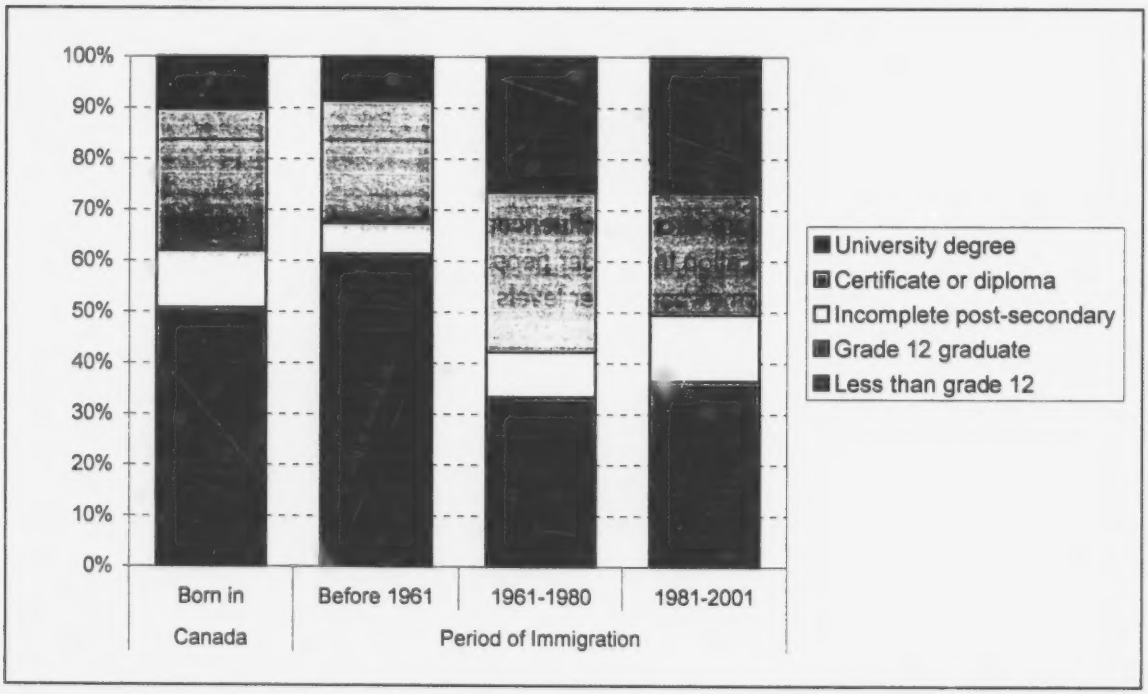
Educational attainment figures are more difficult to assess for immigrants than for non-immigrants. Different educational systems in different countries may mean the categories are, strictly speaking, not directly comparable. Educational attainment figures are strongly influenced by age as younger people tend to have higher levels of completed education than older people. The relative youth of recent immigrants means that we would expect somewhat higher levels of completed education for this group compared with non-immigrants.

This is, in fact, the case. Among adults (15 years of age and older), recent immigrants have much higher levels of completed education than non-immigrants. More than one quarter of recent immigrants, for example, have a university degree compared with 10% of non-immigrants (see Table 3.6). Almost two thirds (64%) have at least some post-secondary education compared with 49% of non-immigrants. Even among the older group who came to Canada in the 1961-1980 period, 67% have a post-secondary education.

Table 3.6 Educational Attainment, Saskatchewan Residents 15 years or older in 2001

	Born in Canada	Period of Immigration		
		Before 1961	1961-1980	1981-2001
Less than grade 9	69,970	4,825	1,455	1,260
Grade 9 - 13 without graduation certificate	211,440	2,975	2,245	2,850
Secondary school graduation	77,600	985	1,150	1,950
Trade certificate or diploma	21,020	675	435	355
University/non-university certificate or diploma	174,900	2,775	4,110	3,605
Partial or incomplete post-secondary	79,420	860	1,305	2,180
University degree	72,995	1,235	3,860	4,430
Total	**707,345**	**14,330**	**14,560**	**16,630**
Percent with completed post-secondary education	38%	33%	58%	50%
Percent with at least some post-secondary education	49%	39%	67%	64%
Percent with at least grade 12	60%	46%	75%	75%

Figure 3.13 Highest Level of Completed Education, Saskatchewan Residents 15 Years and Older, 2001



Field of Study

Among those with a completed post-secondary education, census respondents are asked to describe their major field of study. The detailed data are shown in Table 3.7; Figure 3.14 shows a comparison of recent immigrants with non-immigrants.

The typical field of study for recent immigrants is noticeable different from the one for non-immigrants and for immigrants who came to Canada before 1980. Compared with non-immigrants, recent immigrants:

- are much less likely to have a post-secondary education in education, commerce or business administration, or the trades;
- are much more likely to have a post-secondary education in engineering, the sciences, the humanities; and
- equally likely to have a post-secondary education in social sciences, the fine arts, or the health professions.

Compared with those who immigrated before 1980, recent immigrants are more likely to have a post-secondary education in engineering and the sciences.

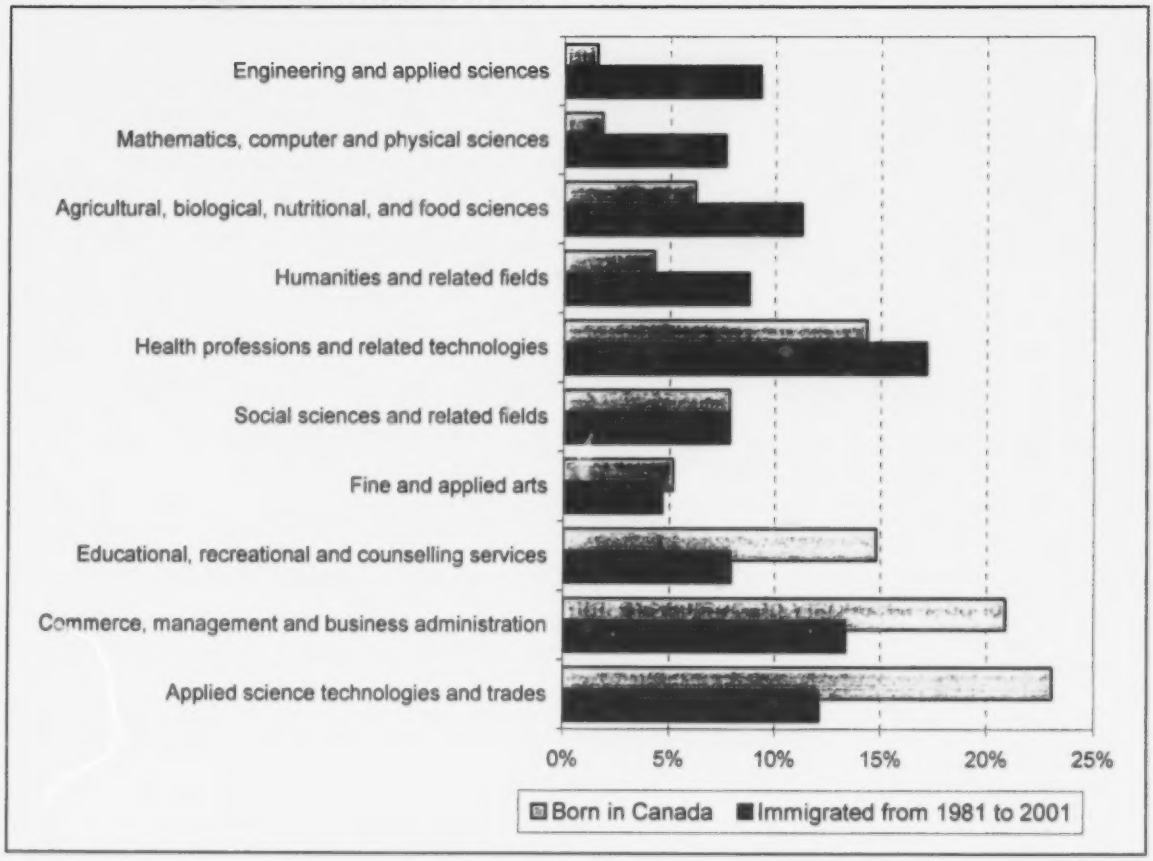
The dominance of engineering and the physical sciences among immigrants is quite striking. While 7% of post-secondary graduates are immigrants, 23% of those with an education in the engineering and the applied sciences are immigrants and 19% of those with an education in

Table 3.7 Field of Study for Graduates of Post-Secondary Institutions, Saskatchewan Residents 15 years or older in 2001

	Born in Canada	Period of Immigration		
		Before 1961	1961-1980	1981-2001
Educational, recreational and counselling services	15%	12%	14%	8%
Fine and applied arts	5%	5%	5%	5%
Humanities and related fields	4%	8%	9%	9%
Social sciences and related fields	8%	6%	8%	8%
Commerce, management and business administration	21%	15%	15%	13%
Agricultural, biological, nutritional, and food sciences	6%	10%	8%	11%
Engineering and applied sciences	2%	3%	4%	9%
Applied science technologies and trades	23%	27%	16%	12%
Health professions and related technologies	14%	12%	18%	17%
Mathematics, computer and physical sciences	2%	2%	4%	8%
	100%	100%	100%	100%

mathematics, computer, and the physical sciences are immigrants.

Figure 3.14 Major Field of Study Among Those with a Completed Post-Secondary Education, Saskatchewan Residents in 2001

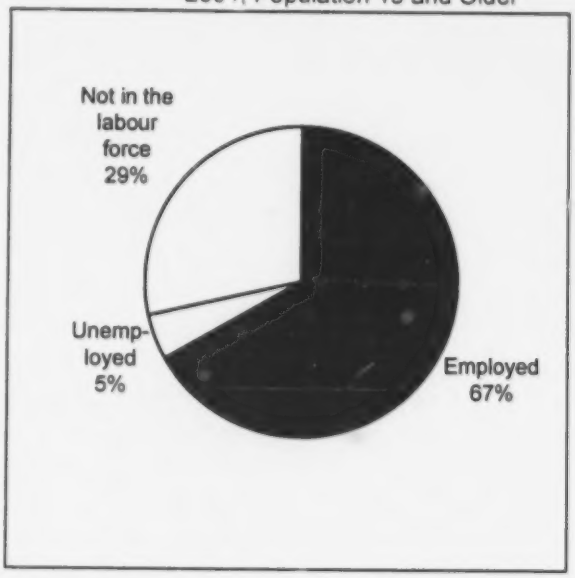


3.7 Employment

Education, age, and employment are highly correlated so one would expect that recent immigrants would be more likely to be employed than non-immigrants. They are concentrated in the labour market age group and have high levels of completed education.

As a measure of employment, the "employment rate", sometimes called the employment-to-population ratio, is used as the basic measure. The employment rate is the proportion of the adult (15 and older) population that is employed. In the small and highly mobile Saskatchewan labour force the employment rate is a better measure of employment opportunities than the unemployment rate. The unemployment rate is the proportion of the labour force (employed plus unemployed) who are unemployed.

Figure 3.15 Labour Market Activity of Recent Immigrants (1981 to 2001) in May 2001, Population 15 and Older



In May 2001, 67% of the 16,630 recent immigrants were employed (see Figure 3.15). Three in ten (29%) were not in the labour force and the remaining 5% were unemployed, that is, not working but seeking employment. The unemployment rate was 7%.

Table 3.8 shows that the 67% employment rate compares with 64% for the non-immigrant population and 65% among those who immigrated between 1961 and 1980. As expected, the recent immigrant population is more likely to be employed than non-immigrant population although the difference is smaller than one might have thought given their higher education levels and younger age.

Table 3.8 Employment Rates for Selected Populations, May 2001

	Born in Canada	Period of Immigration		
		Before 1961	1961-1980	1981-2001
All ages	64%	27%	65%	67%
Men	70%	37%	71%	74%
Women	59%	17%	59%	60%
15 to 24	58%	...	...	54%
25 & older	66%	27%	64%	69%

The difference in employment rates is evident only among men; recent immigrant women have the same employment rate as non-immigrant women.

The employment rate among youth (15 to 24) who are recent immigrants is lower than among non-immigrants. This is to be

expected given the higher levels of school attendance among young people who have recently immigrated (see Figure 3.12).

The employment rate above describes only labour market activity at a single point in time, namely the week prior to the census. Respondent are also asked about their labour market activity in the year prior to the census and these figures show that recent immigrants have a lower rate of attachment to the labour force than non-immigrants.

In 2000, 46% of recent immigrants worked throughout the year on a full-time basis compared with 51% of non-immigrants and 60% of those who immigrated from 1961 to 1980. The difference is evident among both men and women (see Figure 3.17) and only among recent immigrants. Among those who immigrated from 1961 to 1980, full-time full-year employment is higher than among non-immigrants and among recent immigrants. This is true for both men and women.

Figure 3.16 Employment Rate in May 2001, by Gender

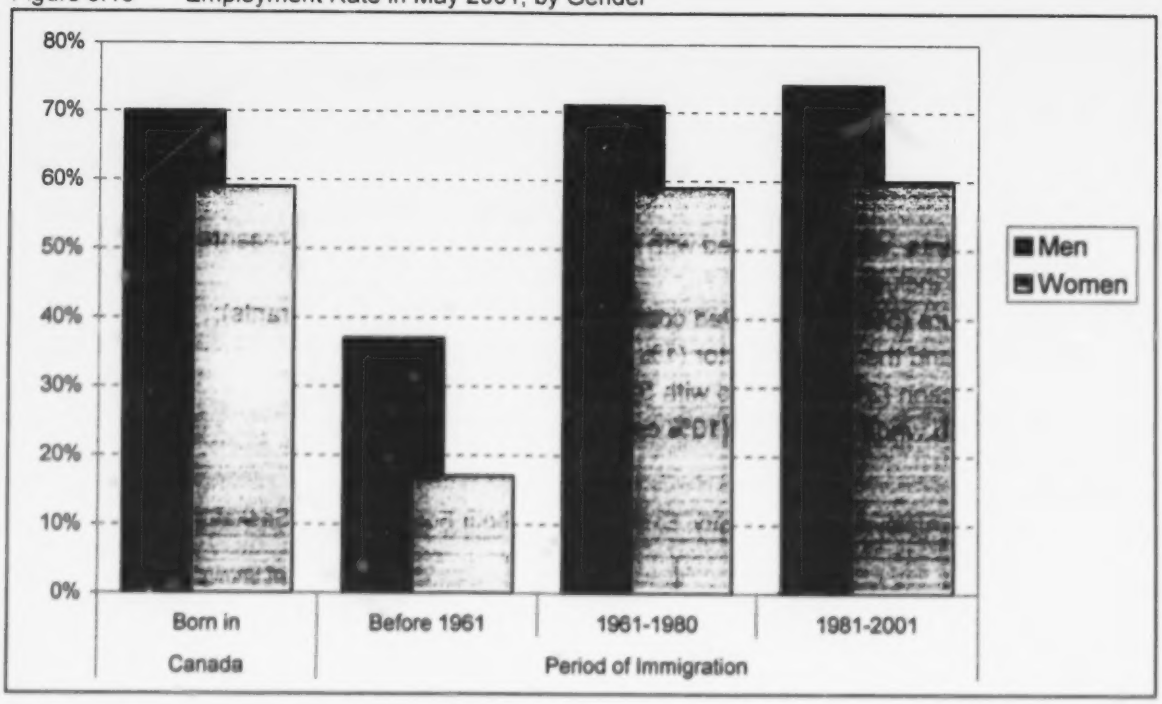
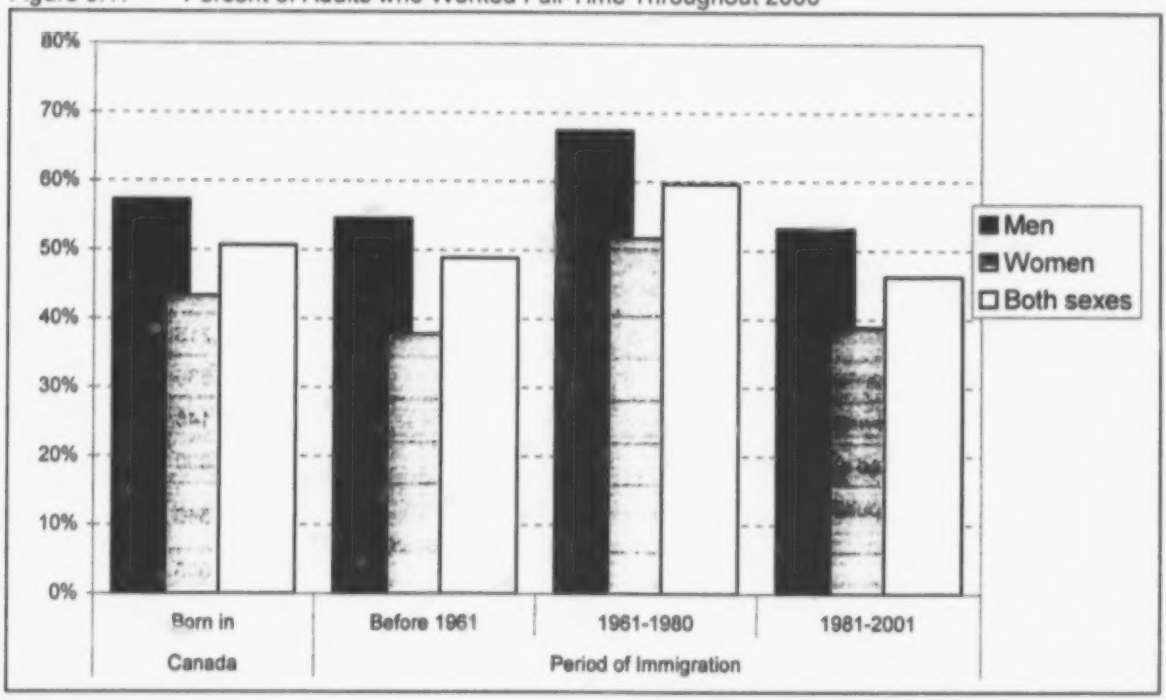


Figure 3.17 Percent of Adults who Worked Full-Time Throughout 2000



Industry and Occupation

The census also measures the occupation and industry of employment for the "experienced labour force", that is, those who were employed at any time since January 2001. Table 3.9 shows the industry breakdown and Figure 3.17 compares employment by industry for non-immigrants, recent immigrants, and those who immigrated from 1961 to 1980.

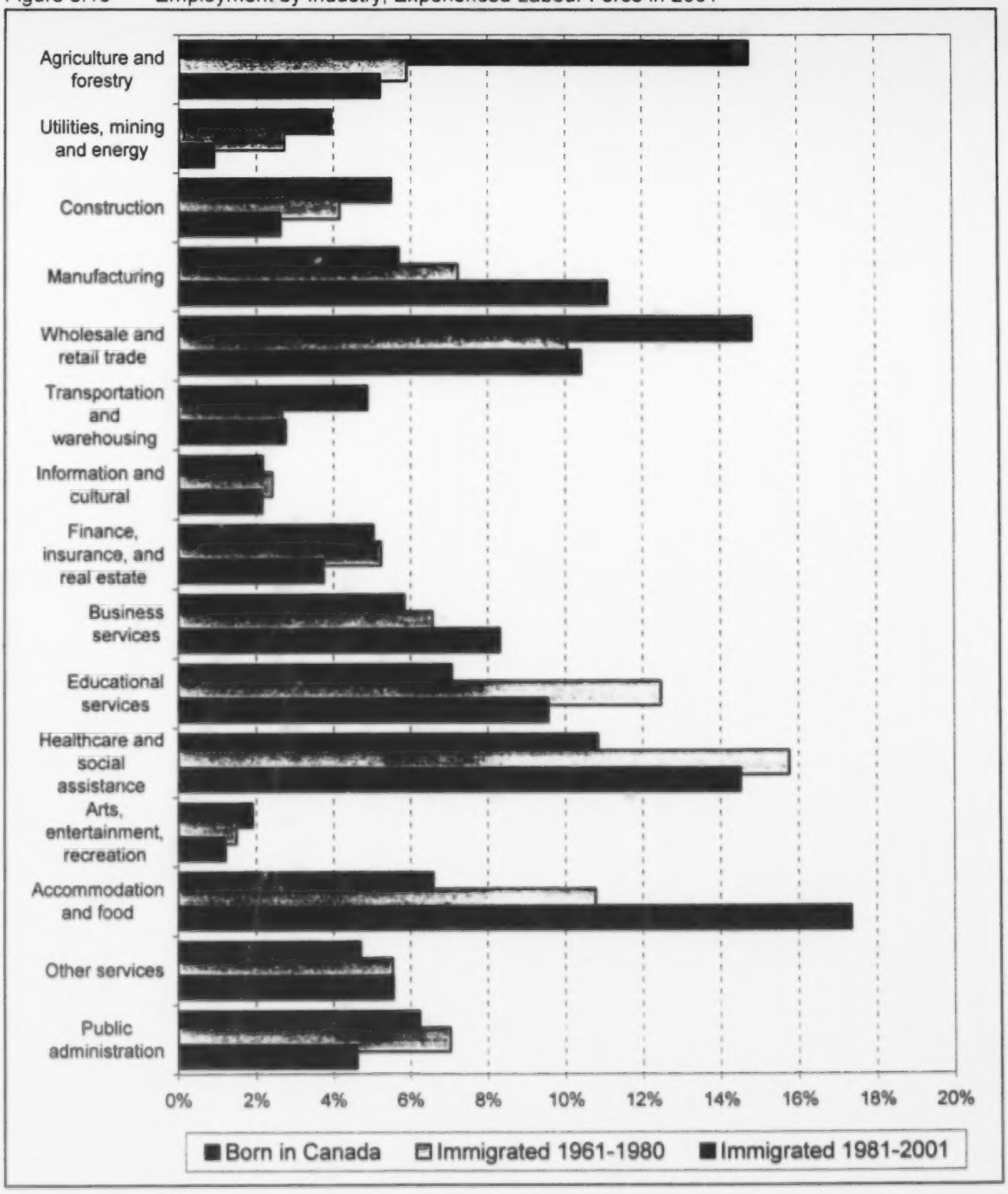
Recent immigrants, when compared with non-immigrants are under-represented in several industry groups including:

- agriculture (5% are employed compared with 15% of non-immigrants);
- utilities and the energy sector (1% compared with 4%);
- construction (3% compared with 5%); and
- retail and wholesale trade (10% compared with 15%).

Table 3.9 Employment by Industry, Experienced Labour Force in 2001, Saskatchewan Residents

	Born in Canada	Period of Immigration		
		Before 1961	1961-1980	1981-2001
Agriculture, forestry, fishing and hunting	70,495	985	575	605
Utilities, mining and oil and gas extraction	18,845	125	265	105
Construction	26,250	235	405	305
Manufacturing	27,225	115	705	1,290
Wholesale trade	19,220	45	215	230
Retail trade	51,575	325	765	980
Transportation and warehousing	23,310	150	260	320
Information and cultural industries	10,340	100	235	250
Finance, insurance, and real estate	24,085	225	510	435
Professional, scientific and technical services	15,115	150	375	480
Management of companies, waste management and remediation services	12,800	90	265	485
Educational services	33,770	235	1,215	1,110
Healthcare and social assistance	51,760	360	1,535	1,685
Arts, entertainment and recreation	9,120	40	145	140
Accommodation and food services	31,470	190	1,050	2,015
Other services (except public administration)	22,465	255	540	645
Public administration	29,780	255	685	535
	477,625	3,880	9,745	11,615

Figure 3.18 Employment by Industry, Experienced Labour Force in 2001

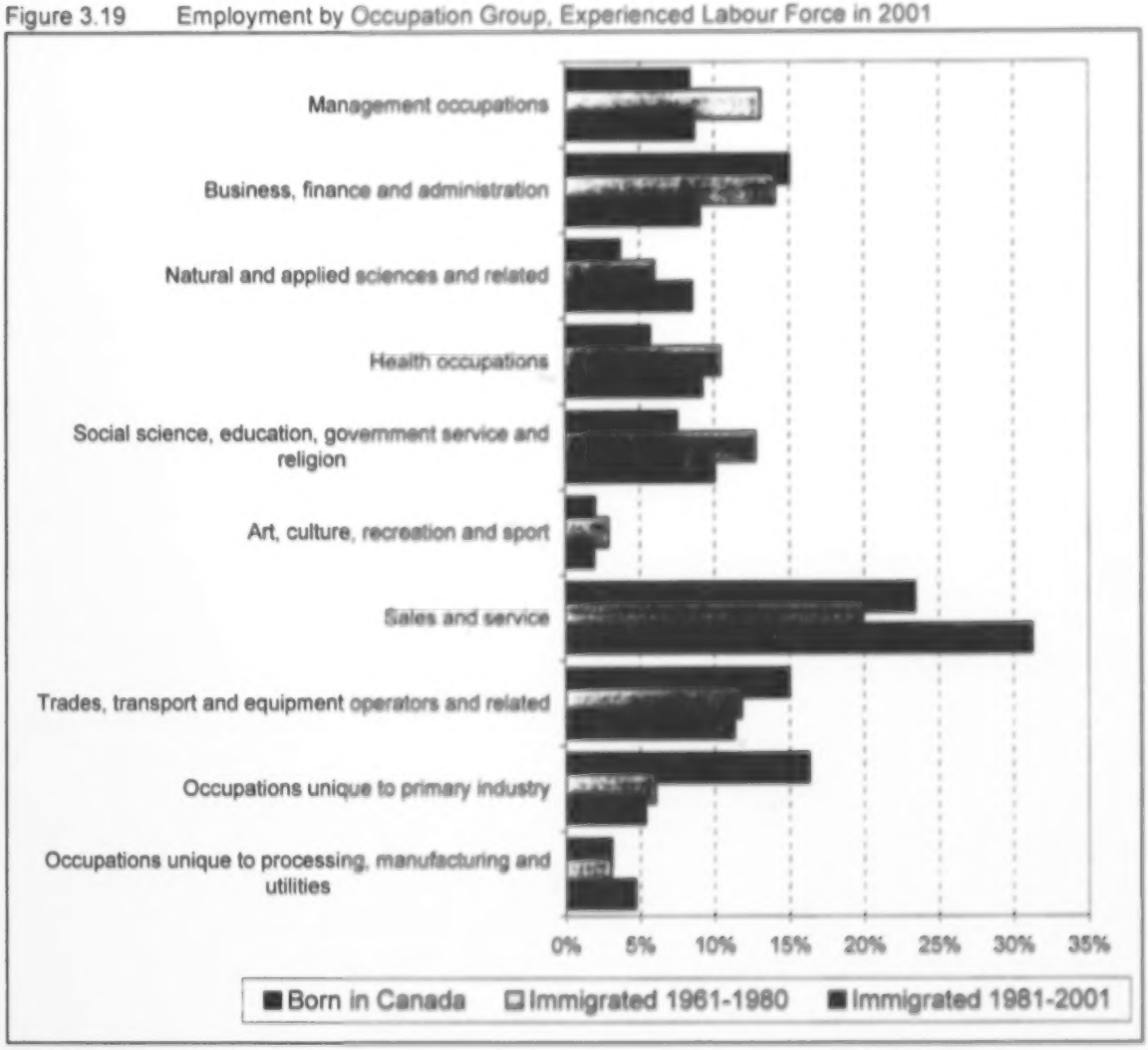


They are over-represented in several industry groups but the most obvious ones are accommodation and food services (17% compared with 7%), manufacturing (11% compared with 6%), and health care/social services (15% compared with 11%).

The situation for those who immigrated in the 1961 to 1980 is similar although relatively fewer are employed in accommodation and food services and relatively more are employed in education services.

The occupational distribution for recent immigrants tends to reflect the industry groups in which they work. A large proportion work in sales and service occupations, a reflection of the high proportion who work in accommodation and food services industry. Relatively few work in occupations unique to the primary industry, a category that includes farmers.

Figure 3.19 Employment by Occupation Group, Experienced Labour Force in 2001



Their education levels lead to higher than average levels of employment in health occupations and occupations in the natural and applied sciences.

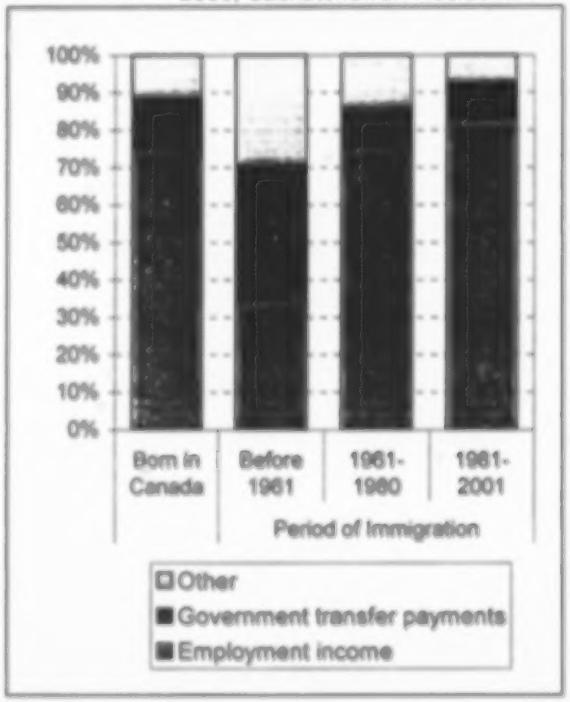
3.8 Income and Earnings

The income statistics in the census measure personal income from all sources during the previous (2000) year.

Income Source

Among non-immigrants in Saskatchewan, 74% of 2000 personal income was derived from employment, either self-employment or paid employment. Another 14% was received from government transfers – CPP, OAS, EI, Social Assistance, WCB, etc. – and the remaining 11% was from "other" sources, including private pensions, investment income, alimony payments, and other income.

Figure 3.20 Sources of Personal Income in 2000, Saskatchewan Residents



Compared with non-immigrants, recent immigrants earn a higher percentage of their income from employment and a lower proportion from the other sources (see Figure 3.20). Those who immigrated from 1961 to 1980 have a similar pattern to non-immigrants although they are more likely to rely on "other" sources and less likely to rely on government transfers. Among those who immigrated to Canada before 1961, government transfers make up 37% of income, largely because this group is dominated by seniors.

Employment Earnings

Average earnings from employment among recent immigrants tend to be similar to earnings among non-immigrants but there are important differences by gender and attachment to the labour force. Table 3.11 shows that among all persons with employment income in 2000, recent immigrants earned an average of $25,326, 1% less than non-immigrants.

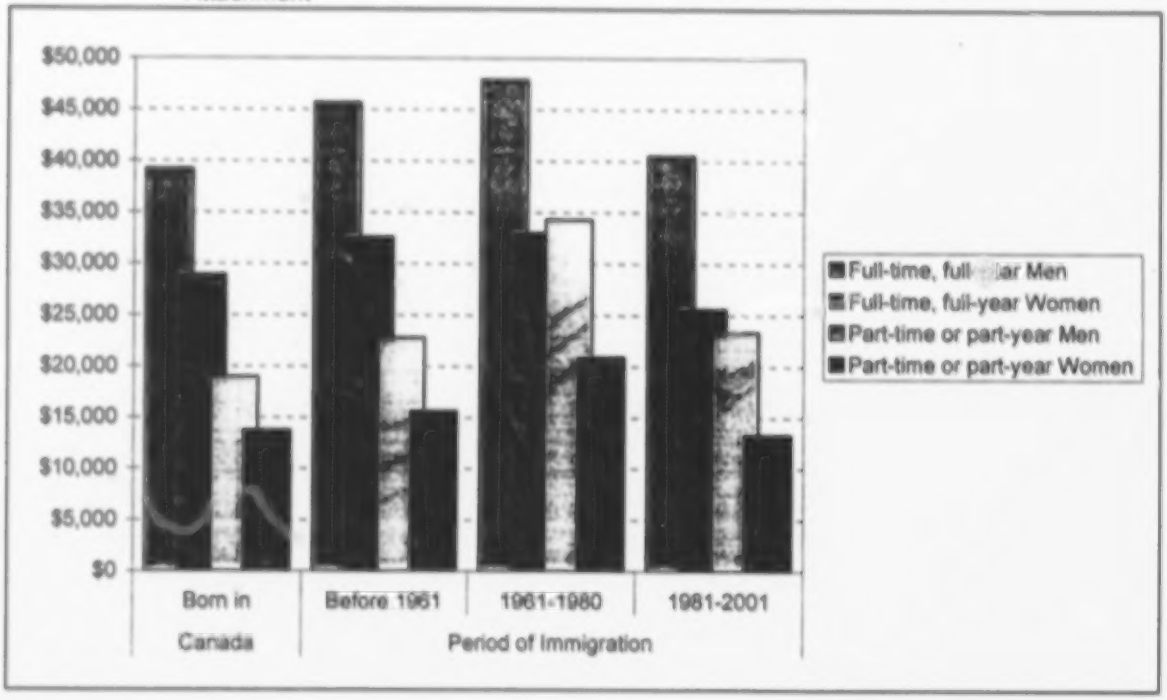
The lower earnings are a complex combination of 2% lower earnings among those who worked full-time throughout 2000 and 11% higher earnings among those who worked part-time or for only part of the year.

Table 3.10 Average 2000 Employment Earnings by Gender and Labour Force Attachment, Saskatchewan Residents

		Born in Canada	Period of Immigration		
			Before 1961	1961-1980	1981-2001
Both sexes	Worked full year, full time	$35,048	$42,135	$41,498	$34,442
	Worked part year or part time	$16,138	$19,860	$26,458	$17,889
	Total	$25,465	$29,131	$34,960	$25,326
Men	Worked full year, full time	$39,197	$45,646	$47,904	$40,481
	Worked part year or part time	$18,980	$22,815	$34,283	$23,355
	Total	$30,267	$33,727	$43,043	$32,302
Women	Worked full year, full time	$28,909	$32,573	$33,005	$25,592
	Worked part year or part time	$13,760	$15,650	$20,912	$13,316
	Total	$20,099	$20,437	$26,731	$17,844

Men who are recent immigrants and who worked full-time full-year in 2000 earned an average of $32,302, 7% more than the average for non-immigrants. Women on the other hand, earned $25,592, 11% less than the equivalent non-immigrants.

Figure 3.21 Average Earnings in 2000, Saskatchewan Residents, by Gender and Labour Force Attachment



The reason for the differences are complex and varied.

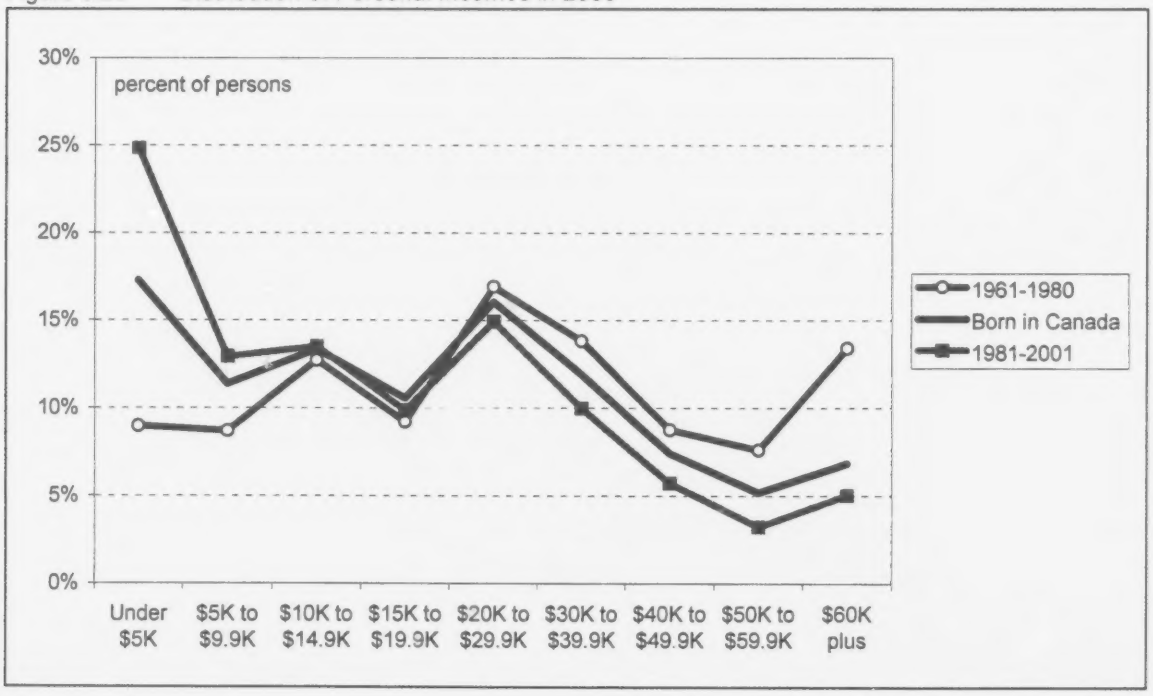
- Apparently, recent immigrants who work part-time or part-year do so for more hours in the year, making up for the generally lower earnings among full-time, full-year workers.
- Recent immigrants who are men working full-time full-year earn more than their non-immigrant counterparts, at least partly because they tend to be in industries with higher pay rates and not in farming.
- Recent immigrants who are women earn less than their non-immigrant counterparts, regardless of their attachment to the labour force. This is probably a reflection of the high proportion who work in food and beverage services where part time employment and lower rates of pay are common.

All of these patterns change among immigrants who arrived in Canada prior to 1980. Here employment earnings are higher than for non-immigrants. This applies to both men and women, working full-time full-year or with less attachment to the labour force.

Income Distributions

These various factors combine to yield the income distributions shown in Figure 3.22. Compared with non-immigrants, recent immigrants are more likely to have incomes less than $10,000 per year (including zero income) and less likely to have higher incomes.

Figure 3.22 Distribution of Personal Incomes in 2000



Those who immigrated during the 1961 to 1980 period, on the other hand, are less likely to have incomes under $10,000 per year and more likely to have higher incomes, particularly incomes in excess of $60,000.

3.9 Residence

Within Saskatchewan, three quarters (74%) of recent immigrants live in the two largest cities, partly because they are large and partly because immigrants tend to live in larger communities. The highest proportion of recent immigrants, for example, are in Saskatoon, Regina, and Moose Jaw.

Those who came to Canada a number of years ago are less likely to be concentrated in larger centres. Among those who immigrated from 1961 to 1980, 67% live in Regina and Saskatoon and among those who immigrated before 1961, 50% live in Regina and Saskatoon.

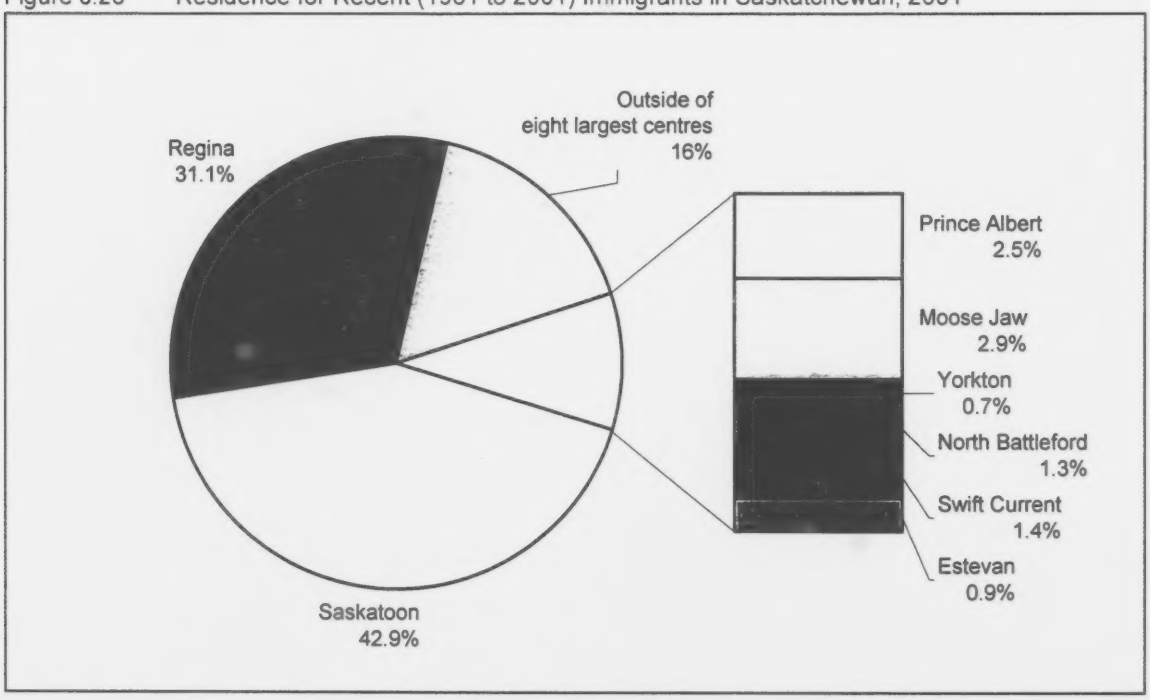
Prince Albert and Yorkton are exceptions to the general rule about size; both have

Table 3.11 Residence* for Immigrants in Saskatchewan, 2001

	Born in Canada	Period of Immigration		
		Before 1961	1961-1980	1981-2001
Saskatoon	204,395	3,470	5,275	8,120
Regina	175,135	3,690	4,445	5,880
Moose Jaw	30,910	590	385	540
Swift Current	15,375	300	360	265
North Battleford	16,415	275	240	250
Estevan	11,480	190	85	165
Prince Albert	38,340	495	480	470
Yorkton	16,705	215	185	125
Rest of Saskatchewan	403,470	5,105	3,110	3,120
Total	912,225	14,330	14,565	18,935

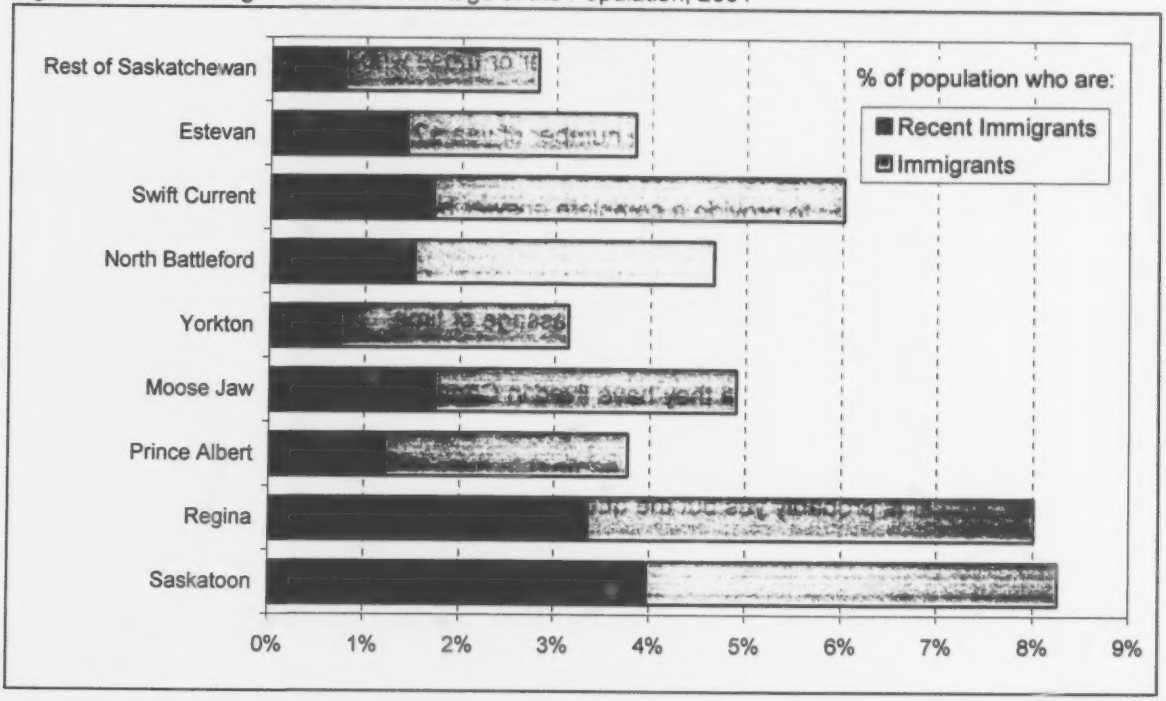
* includes surrounding metropolitan areas

Figure 3.23 Residence for Recent (1981 to 2001) Immigrants in Saskatchewan, 2001



relatively low number of both immigrants and recent immigrants relative to their population. Swift Current, on the other hand, has a relatively large proportion of both immigrants and recent immigrants given its size.

Figure 3.24 Immigrants as a Percentage of the Population, 2001



3.10 Summary

This section described the characteristics of those who immigrated to Canada and who were living in Saskatchewan in 2001. This is a different population than the those who immigrated to Saskatchewan because it includes those who moved here from other provinces and excludes those who have left. Many of the characteristics of recent immigrants are different from the characteristics of those who came to Canada earlier or those who were born in Canada. What part of that difference is the result of different immigration patterns in earlier years and what part is the result of having lived in Canada for a number of years? And what part is the result of the obviously different age distributions? We draw this analytic dilemma to the attention of the readers without attempting to provide a complete answer but as a caution in interpreting the statistics.

Some characteristics are clearly related to the passage of time. To use an simplistic example, persons who migrated before 1961 are more likely to speak English at home than are recent immigrants. This is partly because they have lived in Canada for at least forty years but a larger proportion of earlier immigrants came from the United Kingdom. Do we expect that in forty years recent immigrants will speak English at the same rate even thought they tend to come from Asia? The answer is probably yes but the question is more difficult when examining employment patterns or income.

The findings from this section are summarized below in point form.

- Nine out of ten recent immigrants originally destined for Saskatchewan come from three immigration groups with approximately the same frequency – skilled workers, family class, and refugees.

- On a net basis, Saskatchewan retains just over one half (57%) of immigrants who originally come to the province, one of the lowest rates in Canada.

- 18% of Canadian residents are immigrants compared with 5% of Saskatchewan residents.

The majority of the data in this section refer to the 2001 population of immigrants in Saskatchewan. "Recent immigrants" are defined as those who came to Canada since 1980.

- One in four immigrants living in Saskatchewan came to Canada after 1990; the majority (56%) came after 1970.

- Recent immigrants are more likely to come from Asian countries – 42% do so – than their earlier counterparts. Among Saskatchewan residents who immigrated to Canada before 1961, 87% came from Europe.

- More than one half of recent immigrants are members of a visible minority group.

- 71% of recent immigrants are in the 20 to 59 age group (compared with 52% of non-immigrants). 52% are women.

- Although 71% of recent immigrants report a language other than English as their mother tongue and 61% use a language other than English at home, 95% can speak English well enough to carry on a conversation.

- Recent immigrants are, compared with non-immigrants or those who came to Canada before 1981, more likely to report a non-Christian religious affiliation or no religious affiliation at all.

- Recent immigrants in the 15 to 24 age group are more likely to be going to school – 68% did so in the 2000-2001 academic year – than non-immigrants.

- Completed education levels among immigrants, particularly those who immigrated after 1961, are much higher than among non-immigrants. More than one quarter have a university degree.

- Recent immigrants with a post-secondary education tend to have degrees, diplomas, or certificates in the physical sciences including engineering. They are less likely than non-immigrants to have one in commerce, business administration, or in the trades.

- Recent immigrants, particularly men, are more likely to be employed than non-immigrants although the rate of employment is not as high as one would have expected given their high levels of education and relative youth. Those who migrated from 1961 to 1980 have a very high attachment to the labour force, however, with 60% working full-time throughout 2000.

- Employment income among recent immigrants tends to be low, partly because employment for women is concentrated in low paying industries. Nevertheless, a much lower proportion of their income (11% in 2000) comes from government transfers than for the non-immigrant population (14%).

- Three quarters (74%) of recent immigrants live in Regina and Saskatoon. Larger centres tend to have a higher proportion of recent immigrants than smaller ones although Prince Albert and Yorkton have relatively few immigrants, given their size, and Swift Current has a relatively high proportion.

4.0 Outlook and Implications

A stagnant but aging population has an impact on many aspects of Saskatchewan's economy and culture. Some are described below.

- Older people typically spend money in different ways than younger people, concentrating their spending on services rather than goods. This will change both the retail trade industry and lead to lower revenues from provincial sales taxes.
- Much attention has been focussed on the impact of an older population on the health care system. No one quite knows how an aging population will affect demand for services but most observers expect that an increase in spending on health care will be required.
- The housing market is already being affected as more "assisted living" complexes and fewer single family dwellings are being built.
- Seniors are currently concentrated in rural Saskatchewan, small towns in particular. In the coming years, more will be located in urban centres.
- With lower levels of incomes, an aging population will generate less provincial income tax.
- Although the overall provincial population is stagnant there is ongoing migration from rural to urban centres so many small towns and villages are becoming too small to support public infrastructure such as health care and education facilities.

We are interested, however, in two particular issues which are interrelated and arise from the analysis in Sections 2 and 3.

The first question is about the impact of an aging population on the labour market. Section 4.1 deals with that question.

The second question deals with the related issue of international and inter-provincial migration and how to increase the province's population. Section 4.2 deals with that question.

4.1 The Labour Market

There is already plenty of anecdotal evidence and some statistical evidence that because of the sparsity of Saskatchewan residents in the 20 to 64 age group, the province has too few people to fill the available jobs. One piece of statistical evidence is the employment rate, a measure of what proportion of people are currently employed. Among those 15 to 64 years of age, the 2002 employment rate in Saskatchewan was 75% – three out of four people in that age group were employed, on average, during the year.

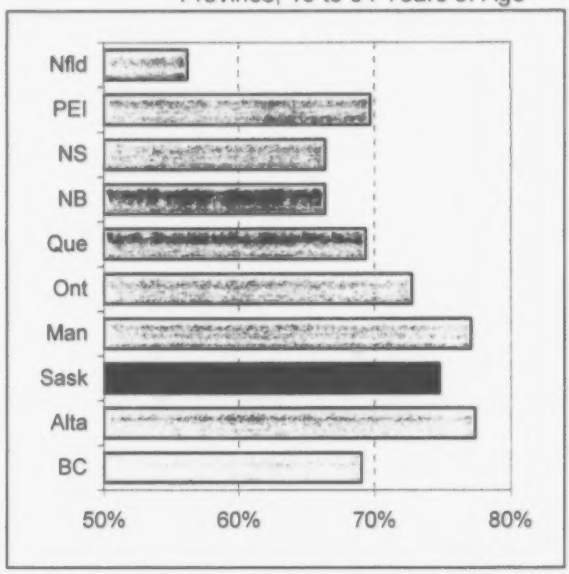
Figure 4.1 shows that the employment rate has been on an upward trend for the past two decades, largely because women were entering the labour market is steadily increasing numbers[8]. The current employment rate of 75% is a record for the province and the third highest in Canada after Alberta and Manitoba, both at 77% (see Figure 4.2).

There is no theoretical maximum employment rate (other than 100%), but the province is clearly near an upper limit; any additional employment growth will soon have to be accompanied by population growth. In other words, the stagnant population may be limiting employment growth. A 77% employment rate for example, rather than our current 75% rate would mean another 12,000 people employed.

As further evidence, Saskatchewan also has the highest proportion of "multiple job holders" in Canada. In 2002, there were 40,300

Figure 4.1 Employment Rate in Saskatchewan, 15 to 64 Years of Age

Figure 4.2 Employment Rates in 2002, by Province, 15 to 64 Years of Age



8 *Source: Statistics Canada Labour Force Survey*

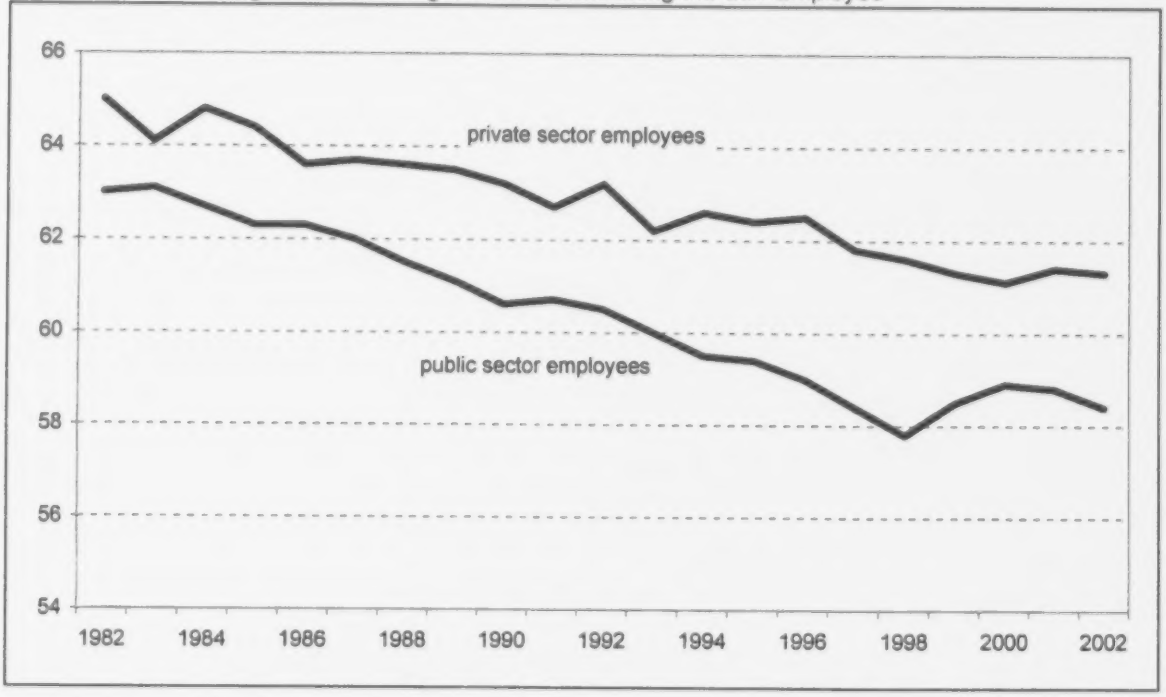
Saskatchewan workers holding down two or more jobs simultaneously – 8% of total employment compared with a national average of 5%.

While there may already be a "tight" labour market in Saskatchewan, it will pale in comparison to what is coming.

The Coming Retirement Boom

A number of studies including several by the author[9] have dealt with the implications of the baby boom generation reaching retirement age. To summarize the issue, Figure 4.3 shows the average retirement age in Canada (Saskatchewan data are not available) among employees, that is, excluding the self-employed[10]. The average private sector employee in Canada now retires at age 61, four years earlier than in 1982. The average public sector employee (using the broader definition that includes health and education services as well as crown corporations) now retires at age 58 compared with 63 in 1982.

Figure 4.3 Average Retirement Age, Canada, Excluding the Self-Employed



9 *One of the more comprehensive is "Saskatchewan Labour Market Trends" published by Saskatchewan Learning and available on www.sasktrends.ca.*

10 *Source: Labour Force Survey*

Saskatchewan data on employment rates shows, indirectly, the same kind of early retirement phenomenon. Figure 4.4 shows the employment rate by age group for 2002 from the Statistics Canada *Labour Force Survey*. Those in the peak labour force age group, 25 to 54 years of age, have employment rates near 80%, that is, four out of five are employed. The rate begins to fall quickly at older ages – to 71% among those 55 to 59 and 47% among those 60 to 64. Even with the high proportion of older farmers in Saskatchewan, the employment rate among those 65 to 69 is only 22%.

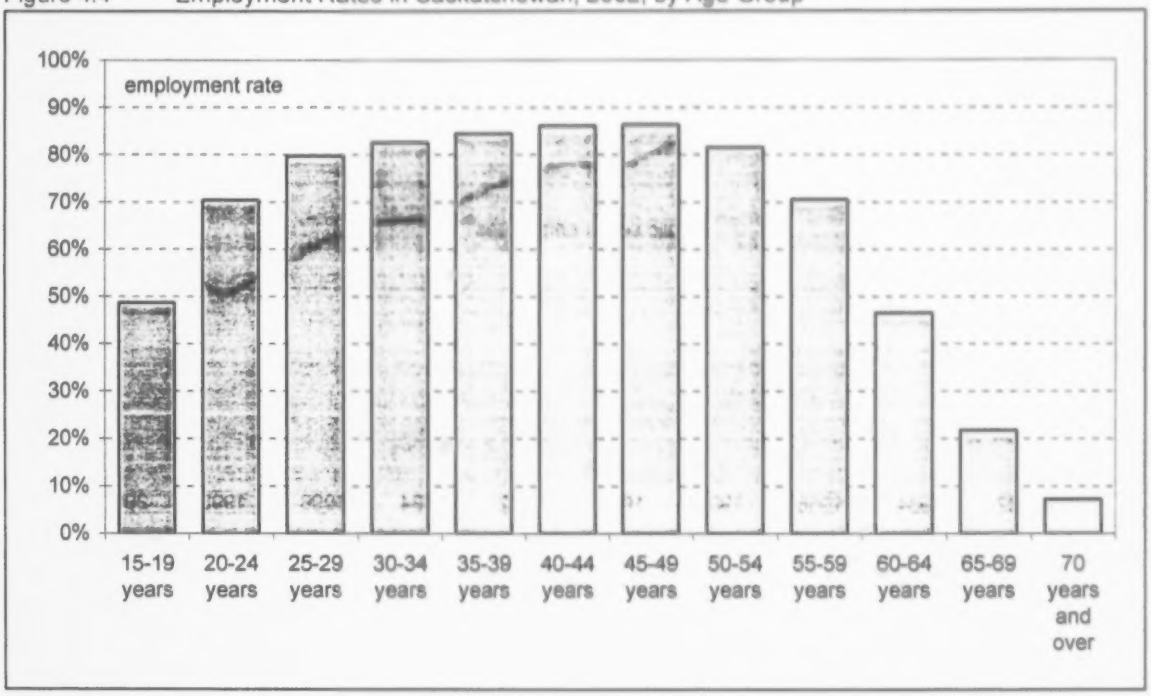
The inescapable fact that retirement now occurs relatively early, juxtaposed with the age distribution of the province's residents shown in Figure 4.5, defines the dilemma. Depending on the assumption about future labour force participation rates, inter-provincial flows, and mortality rates, there will be at least 50,000 and possibly as many as 100,000 "extra" people leaving the labour market over the next ten to fifteen years. The fundamental question facing Saskatchewan is who will replace the baby boom generation in the labour market as the peak of that age structure reaches age sixty?

A number of possibilities have been raised.

1. Aboriginal Population

The Aboriginal population is ideally suited, from a demographic point of view, to move into the

Figure 4.4 Employment Rates in Saskatchewan, 2002, by Age Group

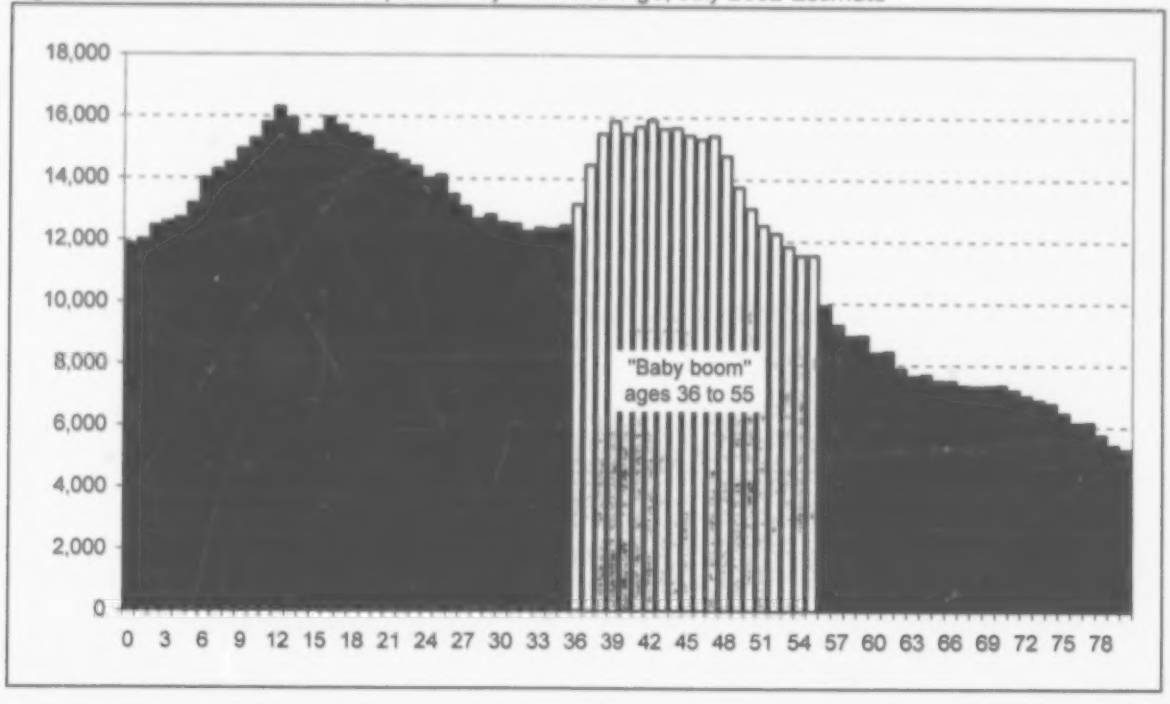


labour market as the baby boomers exit. Data from the 2001 census shows the age distribution of Saskatchewan's Aboriginal population (see Figure 4.6). Over one quarter of the Aboriginal population is in the 5 to 14 age group. Over the next 10 to 15 years, 30,000 to 40,000 young Aboriginal people will enter the labour force age group, enough to have a significant impact on the labour market.

The potential contribution of the Aboriginal population to the provincial economy has been called Saskatchewan's "competitive advantage". Retiring baby boomers will be causing labour market difficulties in other jurisdictions in Canada; Manitoba and Saskatchewan are unique in that they have a group of Aboriginal people ideally suited to alleviate any general shortage of labour.

To realize this potential, however, these young Aboriginal people will need to have a much higher level of education and much higher employment rates than their parents or grandparents. Data from the 2001 census in Figure 4.7 shows that in spite of recent advances, the education levels in the Aboriginal population are still well below the levels in the non-Aboriginal population. Partly for this reason, the employment rates are also well below average, particularly in the critical 15 to 35 age group[11].

Figure 4.5 Saskatchewan Population by Individual Age, July 2002 Estimate



11 *Employment rates for the Aboriginal population are actually overstated because the census figures exclude the relatively large proportion of young Aboriginal people who are incarcerated.*

Figure 4.6 Age Distribution of the Aboriginal and Non-Aboriginal Populations in Saskatchewan, 2001

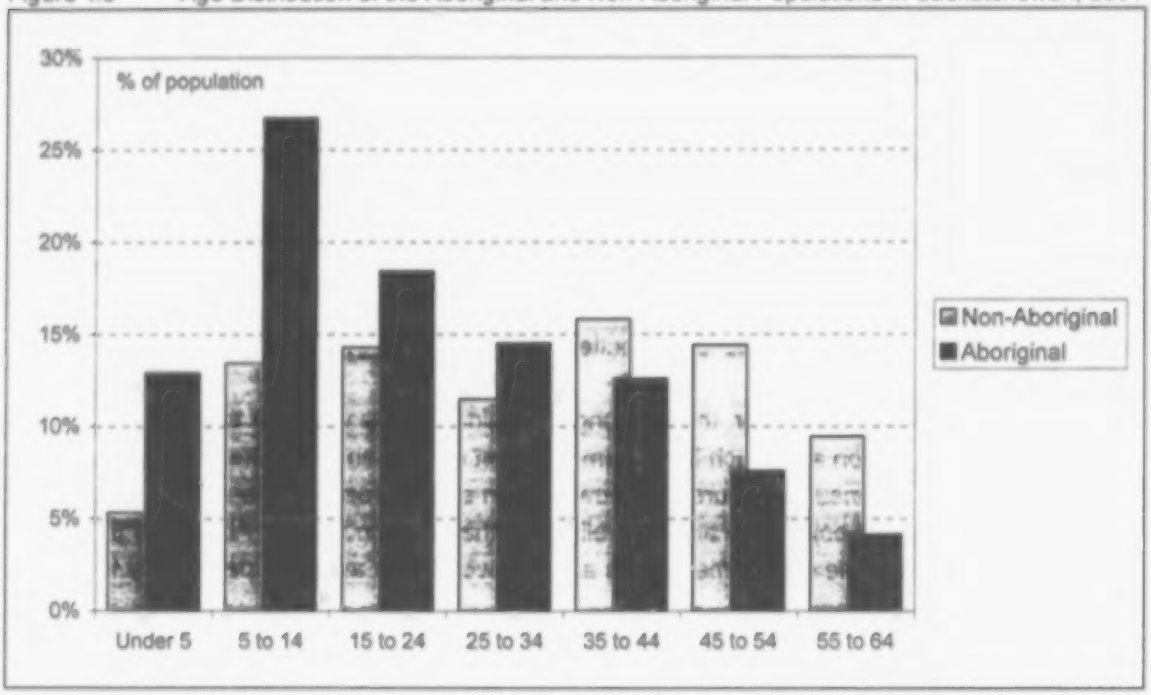
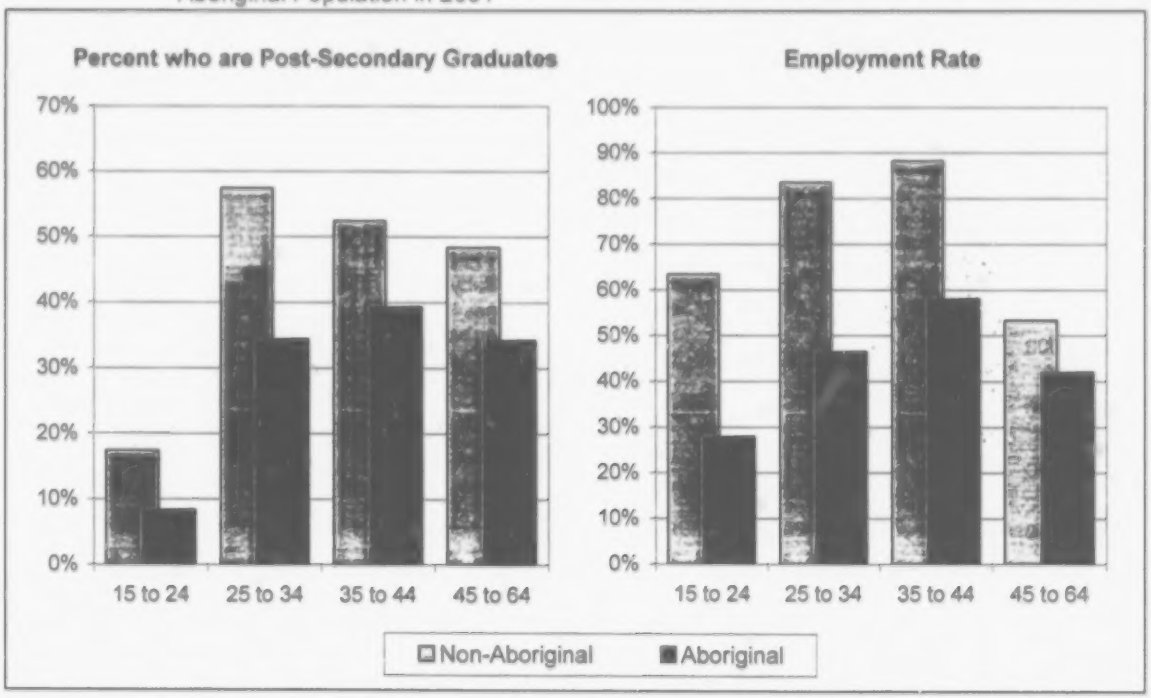


Figure 4.7 Completed Education and Employment Rates, Saskatchewan Aboriginal and Non-Aboriginal Population in 2001



A concerted effort by educational institutions, employers, and the political leadership in both the Aboriginal and non-Aboriginal community will be required to ensure that Aboriginal youth reach their full education and employment potential. Increasing employment levels among the Aboriginal population presents significant challenges so, to be prudent, other approaches should also be pursued.

2. Seniors

Younger seniors, those in the 60 to 69 age group for example, will represent an increasingly large age cohort in the coming years. Perhaps higher employment rates in this age group will alleviate any shortage of workers.

From an arithmetic point of view, this is certainly a possibility although there is no evidence that very many baby boomers will choose to work past age 60. In fact, the evidence suggests the opposite with a continuing decline in the average retirement age. Besides, keeping people in the labour market for an extra few years would only delay rather than solve the problem.

3. Disabled Persons, Social Assistance Recipients, and Members of a Visible Minority Group

There are a number of groups that have traditionally been disadvantaged in the labour market and the possibility has been raised that "full employment" in these target groups would meet labour market needs.

There is little doubt that higher employment levels in these population groups would be not only socially desirable but would help meet any pending labour shortage. The simple fact, however, is that there are simply too few people in these target groups to completely deal with the issue and many of them are already employed.

In 2001, the employment rate among members of a visible minority group was 63%, the same as the 63% employment rate in the general population[12]. In other words, members of a visible minority group are already in the labour market to the same extent as others.

Among those with a disability, data from 1996 is the most current available[13]. For the 97,300 Saskatchewan residents 15 years of age and older who reported any activity limitation, the employment rate was 28%, much lower than the 63% reported in the general population. In the first instance, therefore, it looks like a significantly higher employment rate should be possible for this group of Saskatchewan residents.

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12 *Source: Statistics Canada 2001 Census*

13 *Source: Statistics Canada 1996 Census*

When examined more closely, however, 55% of the adult population with an activity limitation were 60 years of age or older. That is, one of the reasons for the low employment rate (which is calculated on the basis of all adults) is the over-representation of disabilities in the older population groups. In the event that the employment rate among disabled persons could be as high as the 60% among those 15 to 64 years of age, approximately 5,000 people would be added to the labour market. This compares with estimates of 50,000 to 100,000 new employees that will be required.

In 2001, there was a monthly average of approximately 32,000 social assistance cases. Of these about four in ten were classified as "fully employable" by the Department of Community Resources and Employment. Contrary to the general perception, a high proportion of these individuals already have an attachment to the labour force although it tends to be sporadic. In any case, even if one could cut the employable caseload in half with new employment, only 7,000 people would be added to the labour market. This compares with estimates of 50,000 to 100,000 new employees that will be required.

4. Other Economic Considerations

Not all observers are concerned about a general labour shortage. Some point to the complexity of the labour market's interaction with economic growth, productivity growth, and employment growth. The market may automatically intervene when labour demand begins to approach labour supply. The most obvious response will be a limiting of the growth rate in the economy; in effect the declining labour supply will have a dampening effect on economic growth. Other less negative labour market responses are possible.

- The business sector can replace some of its labour inputs with capital (thereby increasing productivity) although the degree to which this can be done depends on the sector. The goods-producing part of the economy is more conducive to this kind of replacement than the service-producing part of the economy.
- Migration into the province can occur on its own if labour demand approaches labour supply, wage rates rise, and jobs become plentiful in the province. This depends on the availability of a) surplus labour in other parts of Canada, an unlikely circumstance because the same aging of the population will occur elsewhere, or b) increased international immigration to Saskatchewan, something which has not occurred for a number of years.
- The tightening of the labour market will raise wage rates, thereby attracting more persons into the labour force or retaining those near retirement age. In particular, those in the 55 and older age group represent a particularly large pool of potential labour market participants and/or re-entrants.

The economic implications of a general shortage of workers are not fully understood because such a shortage would be unprecedented in the Saskatchewan economy. So it would be prudent to anticipate a tightening of the labour market over the next ten to fifteen years and take

reasonable steps to avoid it by ensuring that a) productivity (GDP per employee) continues to growth, b) that we retain current workers to the province, and c) work to encourage new migration to the province. Otherwise, the declining labour force will limit economic growth and well-being.

Summary

Quantitative estimates of the impact of retiring baby boomers vary but there is little doubt that the potential for a significant labour force shortage exists. By far the best solution to this dilemma is a continuing focus on education and employment for the Aboriginal population in the province. Prudent planning suggests that we also focus attention on ensuring that other potential labour force participants such as those who are members of visible minority groups, the disabled, and those on the social assistance caseload are employed to their full potential.

The statistical evidence suggests that, at best, this effort will enable the provincial economy to continue to growth at its current rate. Perhaps that is not good enough and we should look at increasing the economy and the population – the focus of the next section.

4.2 Growing the Population

The need for an increase in the population is not accepted by all Saskatchewan residents and is a legitimate issue for public debate.

There are many "quality of life" advantages to living in a small community and a small province. The sometimes negative hustle and bustle of larger centres is absent – air quality is better; commuting takes minutes rather than hours, wilderness is often within an hour's drive, and we know many of our neighbours.

There are also advantages to living in a growing community as those living in Saskatchewan's larger urban centres can appreciate. The number of public and private sector services available increases rather than declines. Businesses can grow without increasing their market share or expanding to other locations. The tax base tends to increase rather than decline, spreading the obligation for funding public sector services among a larger group of people.

Without picking sides in the debate about the trade-offs involved in having a growing provincial population, this section looks at some of the possibilities for increasing the number of people living in Saskatchewan.

Economic Links

Many people feel that growing the economy and growing the population are two separate undertakings whereas they are inextricably linked.

The Gross Domestic Product or GDP is the broadest measure of the size of an economy – it measures the value of all goods and services produced in an economy. The majority of those goods and services are consumed by the residents of a country or province. So a larger population will, under normal circumstances, consume more goods and services. More people require more haircuts, cars, restaurant meals, houses, and health care. The increase in economic activity will typically be accompanied by an increase in employment. The discussion in Section 4.1 suggests that with a high employment rate, any significant increases in employment will necessarily be accompanied by an increase in the population. Economic activity will accompany that increase in population and the cycle continues.

To demonstrate this phenomenon in practical terms, we turn to an economic measure – GDP per capita – that measures the size of an economy after adjusting for population change[14]. The Gross Domestic Product in real terms, that is adjusting for inflation, for the three prairie

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[14] *Source: Provincial Economic Accounts, Statistics Canada*

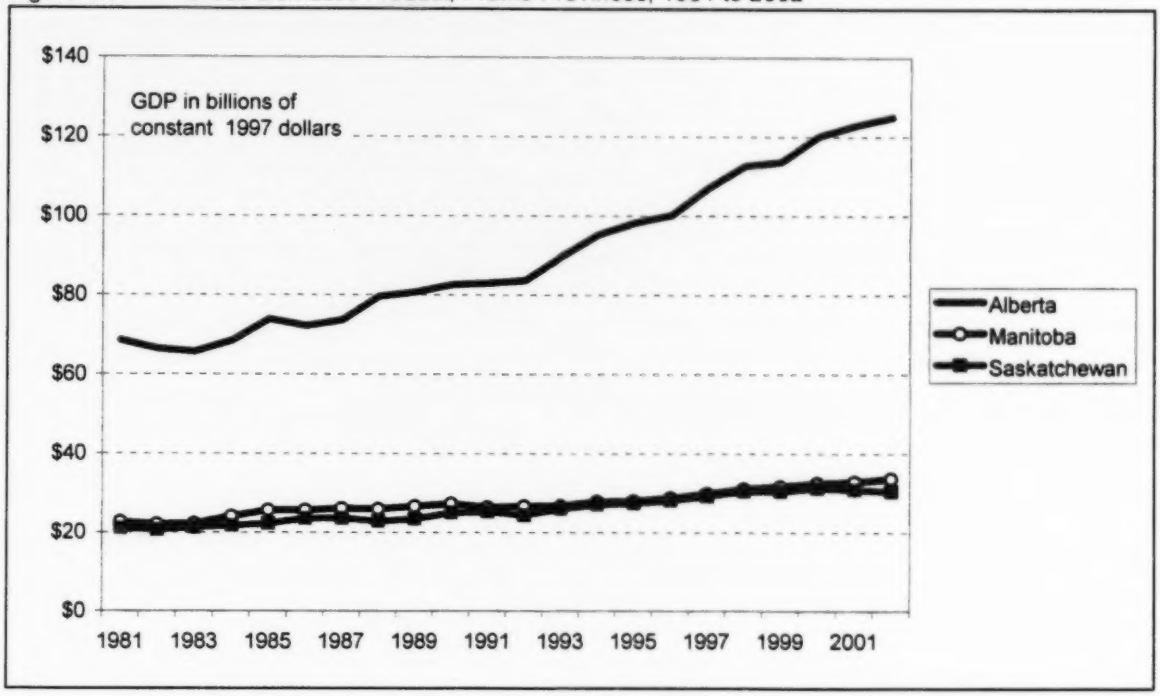
provinces is shown in Figure 4.8. Alberta's economy, at $125 billion in 2002, is more than four times as large as Saskatchewan's at $30 billion. The pattern in Figure 4.8 is a familiar one, however, because it is not dissimilar to one showing the population of the three provinces.

This is demonstrated in Figure 4.9 which adjusts for population by showing GDP per capita over the same period. The gap between Alberta and Manitoba/Saskatchewan remains but it has narrowed appreciably. In 2002, Alberta's GDP per capita was $40,000 compared with $30,000 in Saskatchewan.

One can take economic growth over the 1981 to 2002 and break it down into two components – the portion that arises because of population increases and the portion that arises for other reasons. Some of these other reasons are increased efficiency and productivity, new capital investment, and in Saskatchewan, the weather.

Figure 4.10 shows the calculation. Over the past two decades, the Alberta economy has grown by an average of 2.9% per year. One half of the growth has been for reasons other than population growth, that is GDP per capita has grown by 1.4% per year and the remaining 1.5% is a direct result of population growth. Saskatchewan's GDP, on the other hand, has grown by an average of 1.8% per year over the two decades with almost all (1.6% per year) of the growth attributable to reasons other than population growth. Manitoba is between these two extremes with GDP per capita growing by 1.4% per year, the same as Alberta, and overall growth at 1.9%

Figure 4.8 Gross Domestic Product, Prairie Provinces, 1981 to 2002



per year, about the same as Saskatchewan.

In other words, Saskatchewan's economy, adjusted for population change, has grown more quickly than Alberta's in the past two decades. The difference in overall growth rates is entirely attributable to Alberta's growing population.

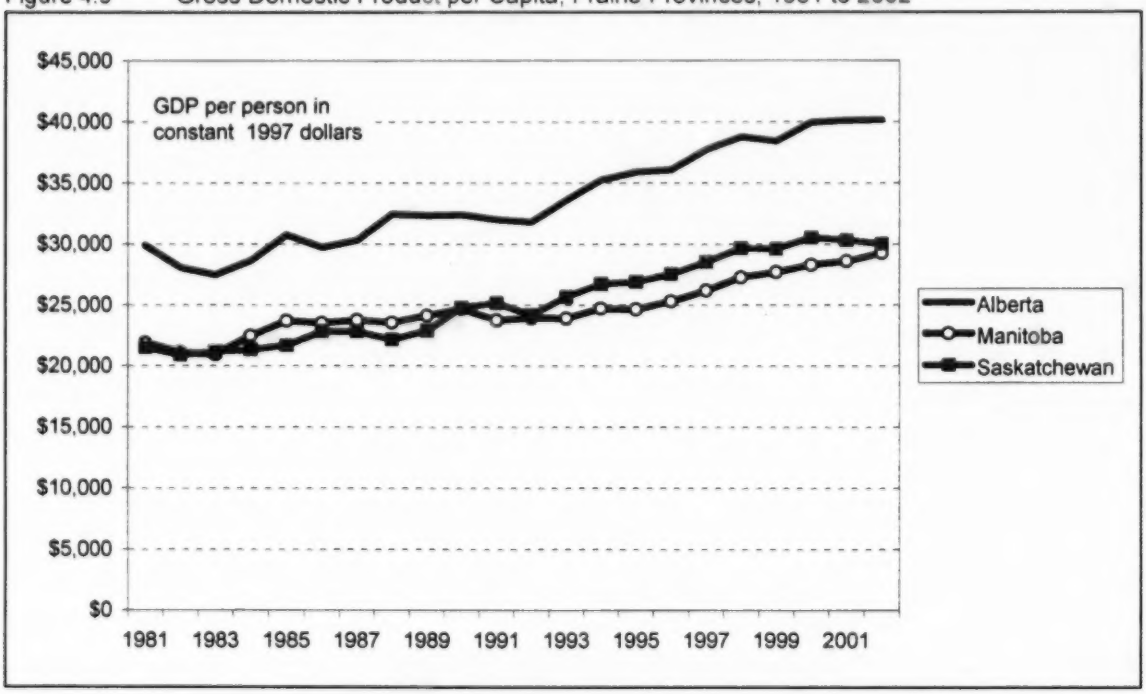
Another interpretation of these data is that, in order to meet or exceed Alberta's economic growth, Saskatchewan "simply" has to increase its population and the economic growth will follow. The mistake is thinking that there is a cause and effect relationship between economic growth and population growth – in a tight labour market the two will necessarily be intertwined.

Increasing the Population

An examination of the elements of population growth in Section 2 shows that there are relatively few options available for increasing the population. The natural growth rate – births less deaths – is a given and only marginally affected by changes in public policy or economic activity. That leaves inter-provincial and international migration as the only sources for population growth. These, in turn, can be addressed by targeting retention – keeping current residents in the province – or attracting persons from outside Saskatchewan to move here.

Before we can decide whether retention or attraction have the greatest potential for success, we

Figure 4.9 Gross Domestic Product per Capita, Prairie Provinces, 1981 to 2002



need to know why people leave Saskatchewan and why they move here.

Reasons for Migration

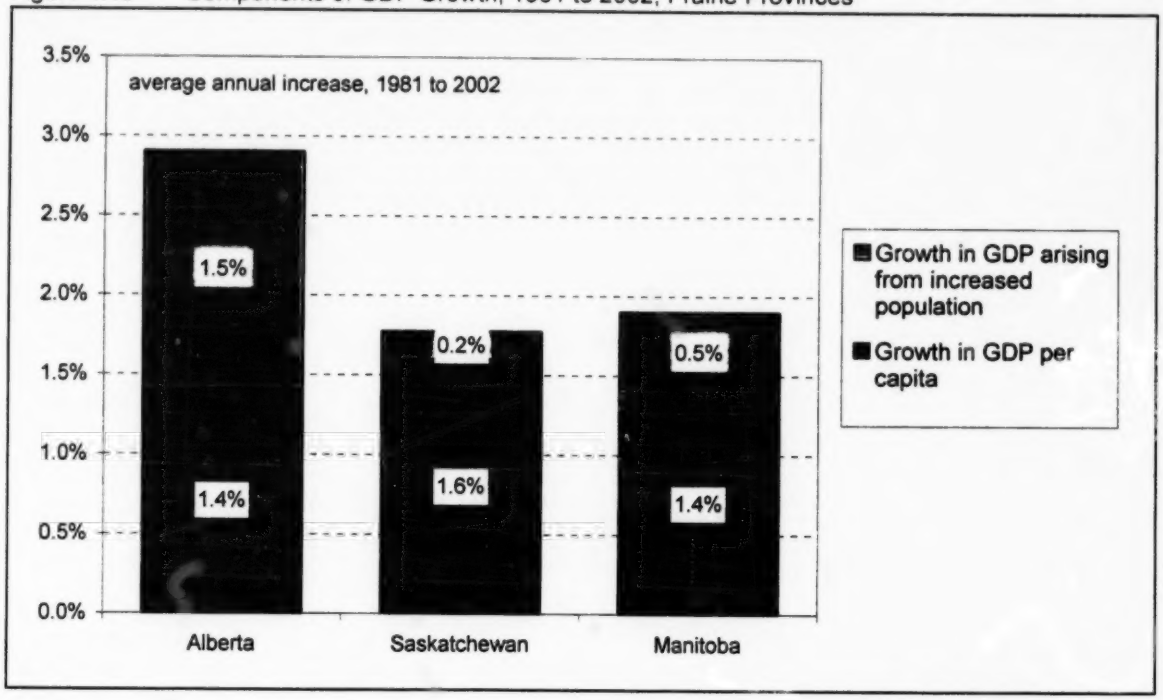
Unfortunately, there is virtually no direct information available to explain why people leave the province to live in other countries or provinces. The vast majority of out-migrants are inter-provincial so from an arithmetic point of view we can focus on this key group of migrants rather than the 1,000 or so persons per year who move to other countries.

A variety of reasons have been advanced for the inter-provincial outflow of people. Some of these are quantifiable but most are not.

Saskatchewan's weather, particularly the long winters, is clearly a factor for many older people and there is a steady flow of persons at or near the retirement age who leave the province, primarily moving to B.C. Undoubtedly, the weather is a major factor for the flow of people in the 55 to 69 age group who move every year (see Figure 4.11).

Taxation levels have been raised as a reason for people leaving Saskatchewan, particularly to Alberta which has no sales tax and lower marginal income tax rates. The lower tax rates in Alberta may or not be offset by the higher cost of living; perception probably matters more than reality in this situation. In spite of the fact that outflows to Alberta are dominated by young

Figure 4.10 Components of GDP Growth, 1981 to 2002, Prairie Provinces



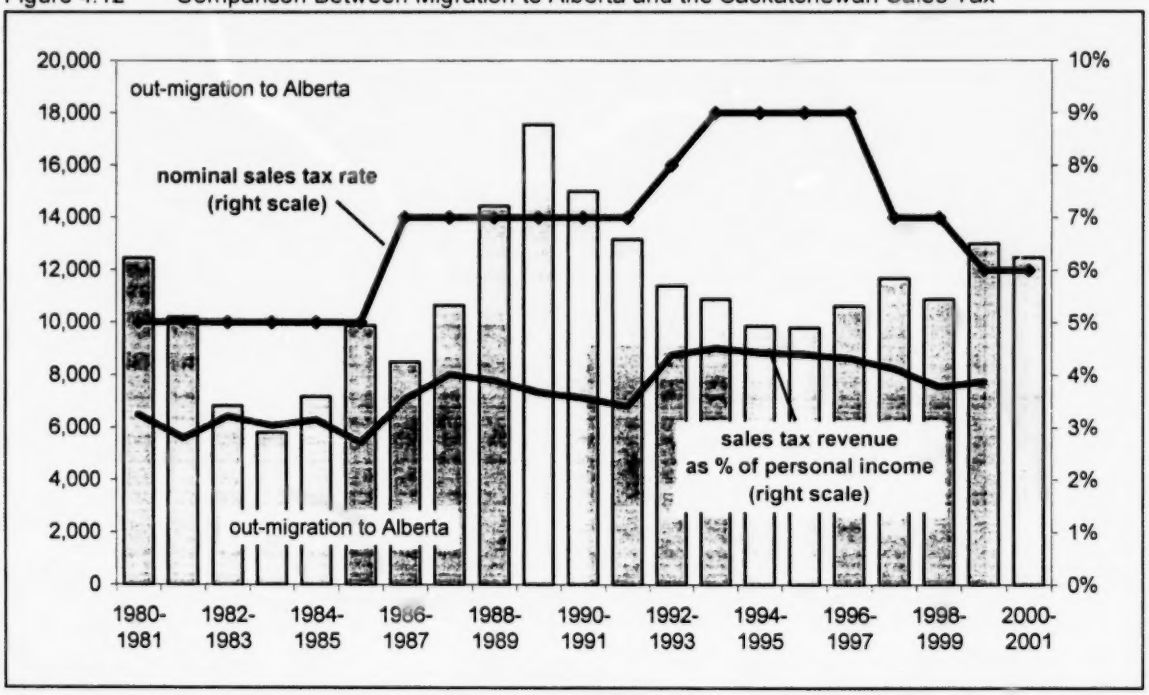
people who tend to pay relatively little tax because their incomes are low, this deserves further examination.

The sales tax in Saskatchewan has undergone numerous changes over the years with changes in the nominal rates, additions and exemptions to the tax base, and even a short period of harmonization with the GST. Figure 4.12 shows out-migration to Alberta overlayed with the nominal sales tax rate. To account for the different bases, the figure also shows sales taxes paid by Saskatchewan residents as a percentage of total personal income. (Note that businesses pay sales tax as well so there isn't a direct relationship between sales tax revenues and the nominal rate.)

Figure 4.11 Out Migration from Saskatchewan as Percentage of Population, 55 to 69 Years, 1971-72 to 2001-02

There is no apparent relationship between migration to Alberta and the level of the sales tax in Saskatchewan. The increase from 5% to 7% in June 1987 seems to be responsible for the increase in out-migration that happened in the

Figure 4.12 Comparison Between Migration to Alberta and the Saskatchewan Sales Tax

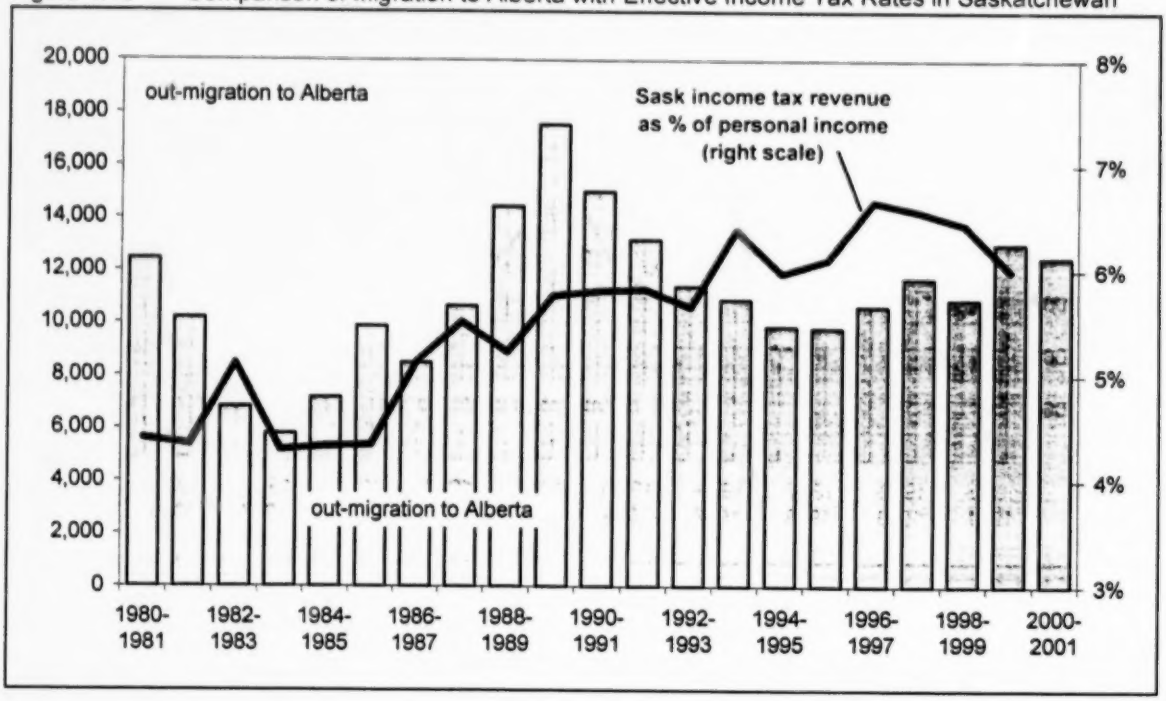


subsequent two years but out-migration was increasing even before that increase. Furthermore the subsequent increases to 8% in May 1992 and 9% in March 1993 were accompanied by declining rather than increasing out-migration. The recent reductions to 7% in March 1997 and 6% in March 1999 have had no apparent impact on out-migration, which has increased marginally since 1998.

A similar comparison between income tax rates and out-migration is shown in Figure 4.13. The income tax system is even more complex than the sales tax with a myriad of changing taxation rates, personal exemptions, deficit surtaxes, low income rebates, etc. The rate shown in the graph is the effective income tax rate, that is, the actual income tax paid as a percentage of personal income. The effective tax rate will increase or decline with higher or lower nominal tax rates but it will also be affected by the level of income and the number and type of exemptions. Until recently, Saskatchewan's income tax was calculated as a percentage of the federal income tax so the effective tax rate would have also been affected by changes in the federal tax rates.

As with the sales tax, there appears to be no relationship between income tax rates and migration. During the late 1980s when the tax rate was rising, out-migration to Alberta was increasing. Once again, the rates continued to rise in the first half of the 1990s when out-migration was declining. And the recent reductions have not been accompanied by a reduction in out-migration.

Figure 4.13 Comparison of Migration to Alberta with Effective Income Tax Rates in Saskatchewan



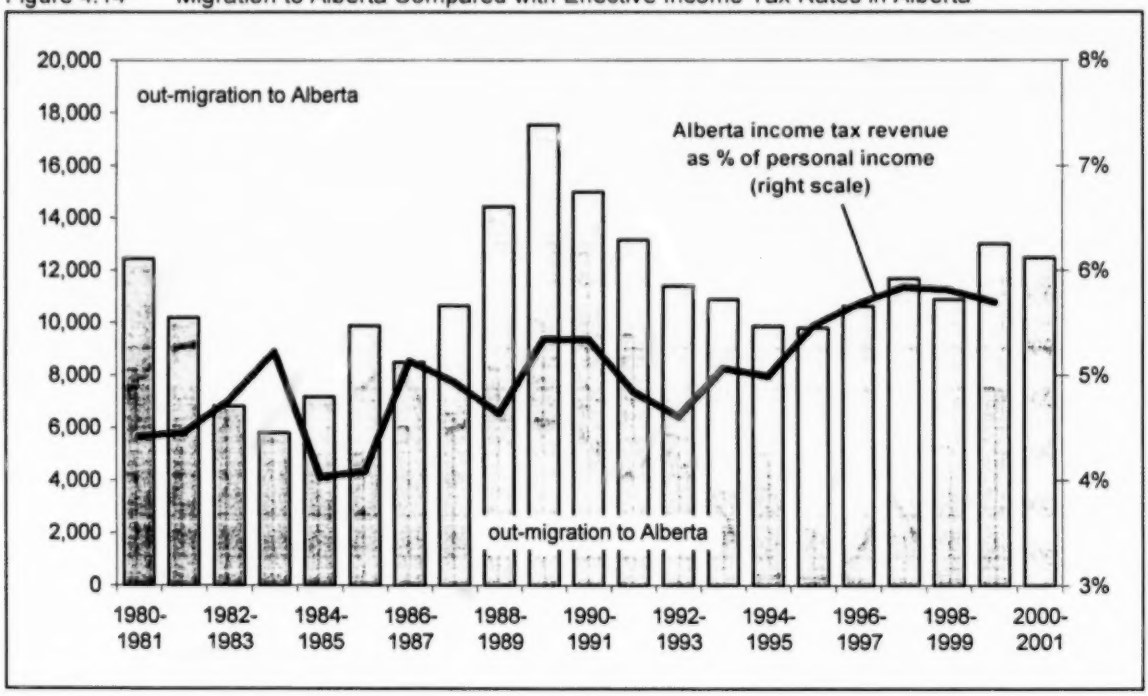
The final figure (Figure 4.14) looks at the effective income tax rates in Alberta to see if they have an attractive effect. Once again, there is no apparent relationship. Income tax rates in Alberta throughout the 1980s fluctuated near 5% of personal income while migration declined and then began to increase. From the early to the mid 1990s, income tax rates were increasing whereas migration was declining and then began to increase. Recent declines in the tax rate have not been accompanied by any increase in migration from Saskatchewan.

So some people (and there are lots of examples cited in the press) may move to Alberta to take advantage of lower taxes but this is clearly not a driving force for the migration.

If not to avoid taxes, what are the reasons for the fluctuating inter-provincial out-migration flows? Unfortunately, there is no answer to that question. Perhaps a survey of former residents would provide some insight but until then we can only conclude that it is a variety of factors including education, employment, taxes, the weather, and family unification that are the cause.

The cyclical pattern of inter-provincial migration – the fact that it doesn't change dramatically from year to year – leads us to the unsatisfactory conclusion that out migration is largely psychological. In effect, people leave the province this year because people left the province

Figure 4.14 Migration to Alberta Compared with Effective Income Tax Rates in Alberta



last year. This vicious circle can be reversed but it apparently happens largely for reasons beyond our control[15].

Attracting Immigrants

If we have no control over the number of Saskatchewan residents who choose to leave the province, perhaps it's time to turn our attention from retention to attraction. Those living in other provinces and countries may not have our native propensity to leave.

Unfortunately the same lack of research on why people leave the province is evident when trying to determine why people come to the province. We are left with the conclusion that attracting people from other provinces and countries is the best approach to increasing the population but no obvious way to make it happen.

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15 *Additional detail from the 2001 Census, while not available for this report, may shed some light on the employment aspects of inter-provincial migration.*

4.3 Summary

This section describes, largely in qualitative terms, some of the implications of an aging population.

To deal with the possibility of a general labour shortage which could affect economic growth and well-being, the best strategy is a continuing focus on education and employment for Saskatchewan's young and growing Aboriginal population. Increasing employment levels among the Aboriginal population presents significant challenges so, to be prudent, other approaches should also be pursued.

The approaches discussed in this section that would have a measurable impact include increasing employment rates among disadvantaged groups such as the visible minority population, the immigrant population, the disabled, and those receiving social assistance. Potential employment increases from this approach are, however, limited. Higher employment rates among those at or past retirement age may not be realistic and, regardless, would only delay the impact of any general shortage of labour.

This section also describes the inter-connection between economic growth and population growth, pointing out that, much of Alberta's strong economic performance has been the result of population increases.

If the province is to increase in size (both economically and in terms of population), a retention and an attraction strategy will be required. Unfortunately, the statistical evidence suggests that out-migration of current residents is cyclical and largely beyond our control. It does not appear to be driven by controllable factors such as taxes but by perception and momentum.

The section concludes with the realization that a strategy to attract people from other provinces and countries would probably be more successful than a strategy to stop current residents from leaving.